

NHSCA Monthly Update
Thursday, November 12, 2020 at 2:30 pm CST

2-10: Jacqui Crocket
AFC Home Club: Randy Reis
American Home Protect: Corinne Maples, Ashley Altick
APHW: Rodney Martin, Phil West
American Water Resource/Pivotal HS: Pat Wodack
First American Home Warranty: Jeff Powell, Zach Zaharek
Frontdoor Group: Tom Courtney, Jeff Fiarman
HomeServe: Scott Paris
Fidelity: Lorna Mello, Adrienne Giacolone
Old Republic Home Protection: Chris Wasson
HomeGuard: Robert Hessling
HWA: Michael Longoria

NHSCA Staff: Art Chartrand, Joy Moore

Roll call was taken, and a quorum was present.

Art Chartrand noted that John Walsh sends his best regards to everyone. He recently made the decision to return back to the automobile sector and is no longer with Cinch Home Services. We will all miss his friendship and professional advice.

Election of Officers

With the departure of Walsh as NHSCA president, Wasson became President automatically under NHSCA bylaws with a new slate of officers to be elected as soon as practicable. A new slate of officers has been proposed to serve until mid-year 2022 of the NHSCA National meeting. They are:

Chris Wasson, President
Rodney Martin, Vice President
Jacqui Crockett, Sec/Treasurer

There were no other officer nominations or discussion . Wasson motioned to accept the officer slate as is and seconded by Reis. The motion unanimously passed.

Transition Plan

Wasson informed members that prior and current officers have been working for three years on a two-year transition plan for a new Executive Director. Chartrand reminded members he is not “retiring” or going anywhere. Chartrand will continue to be involved as an “Of Counsel” advisor for special projects while Moore will continue to handle the administration.

Mark Celichowski has been recommended for the job. Celichowski was president of NHSCA from 2010 to 2012 and would be an excellent choice. He is an attorney and graduate of the University of Wisconsin School 2003. He is 45 years old, married and plans to base his firm in Grand Rapids, Michigan. Like Chartrand, the NHSCA Executive position is part-time employment. Chartrand opened the discussion to confirm and execute the contracts for Celichowski, Chartrand and Moore to become effective January 1, 2021.

It was noted, recent candidates for the position, Mark Lightfoot and Mark Celichowski are both former AHS employees. After considerable discussion, Fiarman, with AHS, requested the decision be deferred so he can further investigate any issues relative to hiring a former AHS employee. The vote was then deferred until AHS reports back to us. A special call for all members is scheduled for November 30 at 2:30 pm CST to further discuss and finalize. Members should feel free to contact Chartrand or officers to reach out with any questions. Chartrand noted the plan is within the budget with only very modest increases for 2021 and 2022 and is less than the prior authorization amount set for the officers.

An in-person officer meeting has been scheduled for December 8-9 in Kansas City with the new executive director to be included.

Membership Structure

A committee has been formed to establish and flush out the rules for the newly proposed membership structure. (See attached diagram) It will include Crockett, Wasson, Courtney, Martin and Giacalone. With a planned growth in membership, it is important that the NHSCA determine the size, eligibility, and constitution of its governing and voting board of directors.

Bylaw Amendment

Concern have been raised by several larger members to go to uniform level budgeting for state assessments and that no state effort be funded without unanimous consent.

The current bylaws require a quorum and a simple majority for the expenditure of monies out of the state fund. Chartrand noted we are a consensus organization and that while a unanimous vote seems a high standard, only two dissents in the history of the organization were recalled. Upon further discussion it appeared problematic no matter what the threshold vote might be, but a unanimous vote appeared the less problematic for now and could be reassessed in the future.

The proposed formula is to take the last five year running average of state fund assessments and divide by the number of national and regional members. That figure

calculates to \$12,000 per member for 2021. For local members, the assessment would be one year in arrears versus in advance for regional and national members. Adjustments would be made annually for any discrepancies or over/underpayments.

There was considerable discussion of the details on how this would be implemented and the rules established (i.e. maintain the current 100 contract assessment threshold etc..). It was decided to leave such details to a committee after the vote but a need to obtain consensus now to move in this direction. Martin motioned to amend the NHSCA bylaws to unanimous consent and set level budgeting to approve state funding. This would only apply to lobbying efforts and expenditures from the state fund and not other votes of the NHSCA which remain by majority vote. Wasson seconded. All were in favor with HomeServe abstaining. A committee of Courtney, Wasson and Martin was established for this purpose.

State Legislative Updates

Arizona

Marc Osborn of Kutak Rock reports our Arizona bill is ready to go. The session begins in January and ends in March. Prospects are good for an omnibus bill dealing with pre-existing conditions. Our language has been out there a long time. Osborn indicated he is confident it will be passed.

Oklahoma

No bill has been introduced at this time. Our lobbyists of Bastin and Peterson have been instructed to provide an amendment that home service and home warranty contracts are one in the same and are not insurance under the Oklahoma insurance code. SCIC concurs in this limited approach.

Texas

SCIC introduced a plan this past month to move us out of TREC to TDLR (Texas Dept. of Licensing and Regulation). The fees are less and there is no rate or form filing, etc. There are a few wording issues that would have to be changed in the TDLR law. The path seems to have no NHSCA objection considering that Realtors do not have an objection and TDLR will take us. The alternative is to run the NHSCA bill that we nearly adopted last session to modify some TREC statutes of concern. The prospects of either path may face an uphill battle given Texas leadership indicating few bills not dealing with Covid will get attention in 2021.

Mark Vane (SCIC lobbyist) and David Parker (NHSCA lobbyist) are jointly making points of contact in Austin (TAR, TREC, TDLR, legislature) and will advise us in the next few weeks. The expectation is to finalize a plan by December.

Nevada

Chartrand spoke to Commissioner Richardson and NV DOI staff in October. Richardson indicated she has no major or philosophical objection with parting ways with our industry as long as there is another state agency that what will take us and require bonding and consumer closures. Alternatively, Richardson did authorize an extensive working session with her staff on a major re-write of 690C. Richardson pledged her staff to work with us to determine what was agreeable, what might be problematic and to let the legislature decide any disagreements. Nevada is not allowing in-person meetings during the pandemic. Chartrand is in the process of scheduling a Zoom working session call with DOI staff. This is now set for December 1.

Regulatory monitoring

Chartrand noted this is an unusual year (mostly due to Covid) and bills are slow to be filed. Our new part-time counsel Travis Moore is working to monitor legislative tracking. While all members have access to *Bill Track 50* through the NHSCA, the eyes and ears of our members on the ground is the best source of leads on proposed state activity. Let NHSCA staff know of anything you hear so we can track down its viability or threat.

Accreditation

The deadline is February 1 to apply for accreditation via CLM, Inc. Promoting accreditation and membership structure will come together in this next year. Chartrand is working on how to better describe and promote accreditation to the public. We have not actively promoted or made a formal announcement until everyone has had a chance to obtain accreditation. The current draft accreditation logo design is being reconsidered. If anyone has any suggestions for a better design, let us know.

Fidelity National Home Warranty has been reviewed and recommended by CLM, Inc for accreditation. Motion by Wasson and second by Reis to accept the recommendation to accredit Fidelity. The motion passed unanimously.

Other Business

NHSCA has not had a direct connection with Better Business Bureau. One of our members is looking at getting more directly involved. Have any members been involved? Would members recommend or not? Sharing of any experience or knowledge of BBB inside management and protocols might be helpful.

NHSCA Monthly Conference Call
Thursday, Nov. 12, 2020

Staff are working with our web vendor, Concermedia, for technical upgrades to the NHSCA website from Wordpress to “Scale WP” and a new server. We do not anticipate any interruption in services. If you encounter any issues on the website, let us know immediately.

The meeting adjourned at 3:45 pm CST. Next meeting is Thursday, December 10 @ 2:30 pm CST.

Proposed new NHSCA member structure. Discussion draft
November 2020

