

NHSCA Monthly Update
Thursday, May 6, 2021 at 3:00 pm CDT

2-10: Jacqui Crockett, Lindsay Iten

AFC Home Club: Randall Reis, Kristin Lewis

American Home Protect: Corinne Maples, Ashley Altick

Cinch: Sloane Levy

Fidelity: Lorna Mello, Adrienne Giacalone

First American Home Warranty: Andy Hand, Zach Zaharek

Frontdoor: Katie Mason, Patrick Daven, Stephen Bracy

Old Republic Home Protection: Gwen Gallagher, Jim Mullery, Frank Caballero

HWA/Direct Energy: Paolo Berard, Michael Longoria

NHSCA Staff: Art Chartrand, Executive Director; Joy Moore, Admin.
Travis Moore, Sr. Legislative & Regulatory Counsel

Guests: Cliff Costa, California Advocates
Matt Robinson, Argentum (NV)

Roll call was taken, and a quorum was present.

Chartrand noted the new 3 PM Central time for the monthly call was working well and will continue to as to not interfere with those on SCIC calls.

Vice President Crockett introduced Pierce Haley with Serlin Haley. Pierce has been interviewed and being proposed as the new NHSCA Executive Director. Members were offered an opportunity to ask him questions. A final vote will be held in Boothbay where members can meet Pierce in person. His cell phone is 617-413-8823 and email is phaley@serlinhaley.com

National Meeting Update (June 16-18, 2021, Spruce Point Inn, Boothbay Harbor, ME)

An updated agenda will be distributed to members next week. Chartrand reminded members the NHSCA Advisory Council will be joining us this year. They will meet with us and be sponsoring social events but will not attend the actual board meeting. They will hold their own separate meeting at that time. There will be an informal round table meeting on Friday morning, June 18 when we jointly convene with them. Chartrand noted if members have any logistical issues, let staff know.

State Updates

Arizona

AZ HB2443 - SCIC bill signed 4/1/2021 – effective in 90 days.

AZ SB1049- NHSCA bill signed 2/9/2021 – effective 90 days.

California – Costa

AB 390

Existing law makes it unlawful for a business that makes an automatic renewal offer or continuous service offer to a consumer in this state, among other things, to fail to present the automatic renewal or continuous service offer terms in a clear and Page 1/5 conspicuous manner, to charge the consumer for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent, and to fail to provide an acknowledgment that includes the automatic renewal or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer, as specified. This bill would, beginning July 1, 2022, revise and recast these provisions to also make it unlawful for the business to fail to provide a consumer with a notice containing specified information if the consumer accepted a free gift or trial, lasting 31 or more days that was included in an

automatic renewal offer or continuous service offer or accepted an automatic renewal offer or continuous service offer at a promotional or discounted price, and the applicability of that price was more than 31 days. In these circumstances, the bill would require the notice to be provided at least 3 days before and at most 21 days before the expiration of the period of time for which the free gift or trial, or promotional or discounted price, applies.

AB1221

Existing law, the Song-Beverly Consumer Warranty Act, provides consumer warranty protection to buyers of consumer goods, including motor vehicles, home appliances, and home electronic products. The act requires a service contract, as defined, to include certain elements, including a clear description and identification of the covered product. This bill would require a service contract that continues until canceled by the buyer or service contractor to, among other things, disclose to the buyer in a clear and conspicuous manner that the service contract shall continue until canceled by the buyer or service contractor and provide a toll number, email address, postal address, and, if one exists, internet website the buyer can use to cancel the service contract. The bill would also define the terms "clear and conspicuous" and "clearly and conspicuously" for purposes of the act. By expanding the scope of the crime of violating the Electronic and Appliance Repair Dealer Registration Law, this bill would impose a state-mandated local program.

Travis Moore, NHSCA legislative counsel, will soon send to all members an update on state auto renewal laws he has been tracking.

It was agreed to hold a special call for all interested members on May 14. Chartrand reminded members that the NHSCA position has been to monitor auto renew bills but not actively fight them given all the other industries that are affected. As well, the NHSCA model on auto renewal and cancellation is a best practice that most legislators have found a good approach. See: <https://homeservicecontract.org/wp-content/uploads/2016/01/dNHSCA-Model-Auto-Renew-Oct-28-ver.pdf>

Oklahoma

NHSCA bill SB490 passed, and Governor signed it on 4/22/21 – it is effective November 1, 2021.

Nevada – Matt Robinson

NV SB381 – SCIC wants to try to push DOI and the legislation further and to eliminate any changes on emergency services. It is clear some SCIC members wish to continue to mislead on this issue and their marketing folks wish to claim they provide emergency services when they do not. We cannot be a part of such a practice. If they can push through their amendments without jeopardizing the bill, we will cooperate. If SCIC kills the bill, it would be unfortunate. It will be before the committee next Wednesday. One thing is clear, Cmsr Richardson agrees we are not an emergency service contract. It was considered important the law recognize this. The bill only says you have to say whether you do or do not provide emergency services.

Texas

TX HB1560 has successfully voted out of the Texas Senate, is awaiting referral to a committee (likely to be Business & Commerce), and to the House tomorrow. This is the TDLR bill by SCIC we have supported.

Data Reporting Update

Gallagher and Fiarman finished a draft and sent to staff. Chartrand will forward their updated data reporting proposal to all members.

The meeting adjourned at 3:30 pm CDT. Next meeting will be in person in Maine.