

NHSCA Monthly Update
Thursday, Oct 7, 2021, at 3:00 pm CDT

2-10: Jacqui Crockett, Lindsay Iten
AFC Home Club: Randall Reis
American Home Protect: Ashley Altick
America's Preferred Home Warranty: Rodney Martin, Phil West
Cinch: Sloane Levy
Fidelity: Lorna Mello
First American Home Warranty: Andy Hand, Zach Zaharek
HWA: Michael Longoria

NHSCA Staff: Pierce Haley, Executive Director
Art Chartrand, Of Counsel
Joy Moore, Admin.
Travis Moore, Sr. Legislative & Regulatory Counsel
Guests: David Parker, Longbow Partners
Mike Belote, California Advocates

Roll call was taken, and a quorum was present.

State Updates

Nevada

On October 5, Haley emailed to members proposed language for “emergencies” to share with Nevada DOI. There were no concerns voiced by members. Haley will be asking the DOI for virtual meeting to obtain concurrence. The important issue here is for all members to be on the “same page”

Arizona – R20-6-407

Moore reported there is an oral hearing date set for November 4, 2021. NHSCA will be submitting previously reviewed and approved comments unless any member yet has anything additional to add.

Texas

On October 5, Haley emailed to members the following provided by our lobbyist, David Parker. TDLR changed some of their guidance and said THE FOLLOWING:

- (a) industry can send in whatever filing documents they are comfortable providing (for these types of filings), but that “they will not face any adverse actions for not providing” the typical rates and form filing contents.
- (b) they should not submit to the TDLR General Counsel’s email address, but instead submit their comments and any documents through this site as seen in the email below:
https://ga.tdlr.texas.gov:1443/form/csgeneralinquiry?_ga=2.71752987.927619432.1632752662-1977396092.1563897976
....and the company will receive a generic confirmation email.

Counsel suggestion from Texas to our members (on which TDLR concurred) is as follows:

Member companies should submit their statements and/or any filing documents related to rate and form changes on the provided webpage form:

- 1.) From the list, "Select a TDLR Program" they will choose "Service Contract Providers"
- 2.) Add and tailor the following statement in the "MESSAGE" box:

"On behalf of (COMPANY X), we are concluding from recent dialogue with TDLR representatives that under the department's new oversight of residential service contracts resulting from recently passed HB1560, the formal filings for (rate/form) changes previously required under the Texas Real Estate Commission are no longer required under the new TDLR's oversight. With that guidance, please accept this as notice that our company plans to make the following (rate/form) change on (date):_____."

Please reach out to me at the email address provided in this form if for any reason this is not proper protocol during this interim period of rulemaking by TDLR. (and note any documentation that may be attached)

*Thank you,
(name)"*

Parker will continue to push TDLR for further formal direction.

New Member Drive

A motion was made by Martin and seconded by Crockett to accept the membership application from Choice Home Warranty. Hand met with the new CEO of Choice, Jim Mostofi, and indicated to members he is fully aware of how Choice previously operated and is ready to conduct business consistent with NHSCA principals of compliance. He understands being a member of the association will offer them the guidance they need.

Members were reminded our bylaws which were amended in June do not give new members an automatic seat on the board. Accreditation is required and market size has to be determined by (currently voluntary) data submission. There was discussion re amending the bylaws with regard to market data collection and accreditation being required of existing and any new applicant. It was decided to pursue at a later time.

With no further discussion, Choice's application was approved unanimously.

A motion was made by Reis and second by Mello to accept the application of Guard Home Warranty of Oak Brook, Illinois. Chartrand reported he was impressed by his recent meeting of the owners along with an onsite visit. Guard participated in Chartrand's full day Home Warranty program. Prior practice for other members has been to approve accreditation if such company has completed the program within one year of joining as the program virtually mirrors the accreditation

review. Chartrand feels Guard will be recommended for accreditation once their fees are received and they apply.

California– Mike Belote

AB494 – passed. AB390 – auto renewal bill signed October 5. It will be effective July 1, 2022. Belote recommends we set up a call regarding this new legislation requirement to make sure our members companies are complying. Staff will notice up the call. AB1221 - does not affect us.

Report on Affiliate Membership and National Symposium with National Meeting

We have three affiliate members that have paid their dues and more coming.

Chartrand notified the members next year's annual meeting and symposium will be in Santa Fe, New Mexico rather than Monterey, CA. It will be held at Hotel Santa Fe June 7-10, 2022. The draft agenda includes dinner on 7th, board meeting on the 8th with the newly proposed symposium on 9th and part of the day on the 10th. We are targeting an additional 70 folks or more to attend in addition to our member companies. Conducting a meeting of this size carries financial risk, but the hotel in Santa Fe is working with us. Monterey, CA presented too much of a financial risk for the association.

Officer Retreat

An officer retreat is set for December 7 & 8, 2021 in Kansas City to plan for 2022.

Accreditation Status

Chartrand noted a final vote will be taken next month to approve 2-10 and Universal. Guard Home Warranty will be accredited once they have paid their membership dues. This will bring current membership to 100% accredited and sets the clock to start really promoting the program. Members should be using their accredited logo on their websites, marketing materials and contracts.

SCIC Liaison

Martin will be attending the SCIC Conference this month. He reported that there is a fracture going on at SCIC and Meenan may be leaving management control. His goal is to facilitate more coordination with SCIC.

Direct Deposit Options

Staff is looking for the best method to receive payments. The association has been receiving payments via Bill.com and is open to any members using that service. It was also suggested by Levy that invoices include direct deposit information as an option. Staff continues to do research on the idea and welcomes anyone's suggestions.

New business

Member tips from Chartrand:

1. No other state besides CT prohibits roof leak coverage *to our actual knowledge*. CT prohibits as they do not allow service on any structural component of a home. While not necessary to "authorize" providing, we have long added roof leak to our model definition

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simply to prevent future questions. If you have information otherwise, please let Chartrand or Travis Moore know so we can update our research.

2. Members should also review the sales tax chart on the NHSCA website and check the rules. Just as a reminder, in Arkansas you must pay 100% upfront and on the service fee. It is the only state the association is aware of that you also must charge on the service fee. Others might if they get wind of the concept.

Meeting adjourned at 3:50 pm. The next meeting is set for Thursday, Nov.11 @ 3 pm CDT.