

NHSCA Monthly Update
Thursday, Dec. 2, 2021, at 3:00 pm CST

2-10: Jacqui Crockett

AFC Home Club: Randall Reis

American Home Protect: Ashley Altick

America's Preferred Home Warranty: Rodney Martin, Phil West

Choice Home Warranty: Jim Mostofi, Brian Tretter

Cinch: Sloane Levy

Fidelity: Lorna Mello, Adrienne Giacalone

First American Home Warranty: Andy Hand, Zach Zaharek

Guard Home Warranty: Sergey Spisovskiy, Mikail Koval

Home Warranty of America: Heather Cone

Old Republic Home Protection: Jim Mullery

NHSCA Staff: Pierce Haley, Executive Director
Art Chartrand, Of Counsel
Joy Moore, Admin.
Travis Moore, Jr. Sr. Legislative & Regulatory Counsel

Advisory Council: Randy Whitehead, NSA

Roll call was taken, and a quorum was present. Executive Director Haley reminded members of the NHSCA anti-trust statement.

State Updates

Nevada - Haley

Haley reported NV DOI Deputy Commissioner Stosic cancelled the meeting scheduled for today. Haley suggested the call be made with Stosic next Wednesday during the officer retreat.

Arizona – R20-6-407 - Moore

AZ DOI met on Nov. 30th to discuss internally the proposed rule. A meeting with stakeholders is set for Jan. 5th. Moore will send the notice to all members following the call today.

Texas - Haley

Haley reminded members about the informational ZOOM session scheduled for Dec. 14th with TDLR. No invite or link to the call has been provided to members yet.

Florida- Moore

SB 468 – a hearing took place on 12/1. This is the bill that, among other unrelated things, enables insurance license holders to sell service contracts. Moore noted it will likely pass this term.

The other proposed bill being monitored is HB 749. It would require that service contracts be cancellable in the same means the contract was entered. Moore recommends we not oppose this bill but rather comply.

Moore noted to members the marketing and advertising requirements that were presented on the last call regarding the misdemeanor punishment only applies to auto. Nothing for us to be concerned over.

Kentucky

In response to the 2018 HB 487 modifying how/when sales tax is collected on extended warranties for tangible personal property, the Kentucky Department of Revenue has amended the existing regulation at 103 KAR 027:150. Essentially, instead of collecting sales tax on parts/labor at the time of repair, the new regulation requires the contract be taxed up front. It is our position that a home service contract is NOT an extended warranty and therefore this rule should not apply to products offered by our members. KY does not specifically address home service contracts in the tax code; therefore, we assume our default approach to sales tax applies but it is worth reviewing the amended language for compliance across all products.

California

As noted on the last call, SCIC has drafted a bill that would establish a limited line license for third party sellers to sell home protection contracts. NHSCA has always maintained that no one needs a license in CA to sell a home protection contracts. Haley noted NHSCA members were recently polled and only one or two of our members use a third part marketer and compensate them. We are in a wait and see position with SCIC possibly filing this bill and will remain status quo.

SCIC Status

Martin reported Meenan will be moving to F & I Sentinel and no longer be managing SCIC and it is unclear the direction they will be moving in. Martin reported they have issued RFPs to firms that manage associations. Haley knows of a firm he will recommend to them. Keeping the lines of communication open with Arron Lunt is of the utmost priority. Zaharek with First American indicated they recently joined SCIC and he will keep everyone posted on information he gathers.

Officer Retreat

Officers will be meeting in Kansas City on Dec.8. Haley asked members for recommendations of topics they should be covering to be forward thinking. Haley noted the plan is to be more proactive and not always putting out fires on the legislative front. Other topics of discussion will include engaging SCIC and AHS for the future.

Affiliate Membership & Symposium Update

Chartrand informed members the Hotel Santa Fe contract is to be signed by the end of the week. Moore will send pictures of the hotel to Whitehead.

Whitehead presented the event planning status to members. The marketing manager is in place; CVENT, the event software has been set up; mailing lists are being complied, save the date e-brochures have been designed; the location is under contract and we have a draft agenda. Speakers still need to be identified along with defining the vendor exhibit package and pricing. A promotion schedule is yet to be determined.

Moore will send banking account information to Randy so the registrations for the symposium can be deposited into the current NHSCA bank account.

Chartrand reminded everyone, the 2022 NHSCA Annual Meeting will on Wednesday June 8 with the main reception for all attendees that evening. The Symposium will be on June 9 & 10. (Full day on the 9th and 1/2 day on the 10th)

Accreditation

There was a motion to approve the accreditation status for Universal Home Protection by Hand and second by Crockett. The motion was unanimously approved.

Meeting adjourned at 3:40 pm CST. Next meeting TBD.