

NHSCA Monthly Update

Thanks to all who were on the call, Thursday, Sept 1, 2016 at 2:30 PM CST.

2-10 HBW: Mike Bartosch

AHG Home Warranty: Chad Forbush

AHS: Mark Celichowski

Fidelity: Chris Wasson

First American: Jeff Powell

HMS National/Cross Country: Dale Huber

HWA – Rick Plummer

Old Republic: Lorna Mello

Brief Highlights:

Opening Statement from President Bartosch

I think that it's important that in areas such as contractor dispatching and sales tax compliance that the industry works together and is more aligned in our responses to these issues. When we are all over the board we make it difficult for realtors, service providers, closers and homeowners to deal with our industry. An industry that can get united around how we deal with some of these issues will grow more quickly and share in a larger pie.

1. Texas Sales Tax Update

Chartrand and Lobbyist, David Parker met with the Texas Comptroller on August 11, 2016. The response was promised within 30 days. The TPP memo Art crafted is complete and will be released for publication immediately after the Texas opinion is published.

2. TAR/THSCA

TAR Expo is September 9 in Galveston, Texas. NHSCA members, Fidelity, Landmark, ORHP and AHG Home Warranty have all agreed to assist with working the booth. NHSCA staff and Lorna Mello will be there as well. Moore asked members to check with their Texas reps and let her know if they will be available to assist with the booth and attend an informal dinner scheduled for Thursday night, September 8 at Tortuga Mexican Kitchen in Galveston. Note: CAR will be September 27-29 in Long Beach and we encourage members to alert their attending staff to NHSCA presence as well.

2. Arizona/Nevada “Less benefits paid on Cancellation”

As noted on last month's monthly teleconference, Arizona has a specific provision in their regulation that says upon cancellation, a “benefits paid” cannot be deducted from refund. Members approved at the annual meeting in June to get the deduction restriction amended out of the regulation. Arizona Lobbyist, David Childers is providing some options and budget to pursue in Arizona. Chartrand met with senior Arizona staff at NAIC last week and they appeared receptive to options. Chartrand also met with senior Nevada staff at NAIC on related issues and is working on a meeting with DOI General Counsel to resolve.

3. Repeal of VA Statute

Lobbyist, Matt Benedetti and Chartrand plan to meet in the next few weeks with the VA Bureau of Insurance and VDACS. No decision has been made yet whether to adopt our model law or

amend a law that is already in place. However, Benedetti is working a draft bill that will remove the oversight from the BOI to possibly the Department of Agriculture and Consumer Services. (VDACS). So far, no real opposition. Negotiations may be lengthy, but getting out the of the Virginia BOI is the main goal.

4. BBB Story- Channel 5, Nashville, TN

Justin Scott, our new media guru, has been in touch with Katherine Hutt with the Better Business Council. He is working to improve our relationship with the BBB as well as drafting a press release. He has also been in contact with both Nashville and Tampa reporters to re-educate and work with them in the future. The issue has diffused for the moment with no additional, known “bounces” in other media. [Consumer Reports just released their annual bashing of the extended warranty world on consumer goods. It contained some loose language but nothing new that CR has not done for decades.]

6. NHSCA Website Update

NHSCA staff has issued all members a user ID and password for access to the member services log-in link on the website. Moore reminded members if they misplace their password or user ID, let her know and she will take care of right away.

Chartrand reminded members an overhaul of the entire website is scheduled to begin late this fall. Staff will be meeting with Concera Media on September 6 to begin the process. Plans in the overhaul include an interactive map of non-members which should help us in tracking and monitoring the industry in more real time.

7. Accreditation Audit Update

Chartrand reminded members CLM is available to audit any member when they are ready. CLM understands everyone has been very busy this summer, but the audit process can be invaluable in both the short and long run to members and the advancement of the industry.

8. Broker Compensation

Chartrand noted he continues to get inquiries from members on what the industry is doing. While NHSCA involvement on this issue has been long and extensive, it has been limited to the narrow focus of knowing the rules, not is discussing member response, pricing or market activity. To staff, it simply appears some companies are still compensating based upon narrow guidance as was offered last year at RESPRO, or simply not doing at all. Concern over future CFPB action appears mixed and outcomes of federal elections may play a role as well. Members have to determine their own course of action reading the current flow of legal advice and their risk tolerance.

9. Flooding in Louisiana

NHSCA suggests extra caution and review in dealing with service calls in politically active disaster areas. For better or worse, scrutiny of regulators has always been tight in these areas, even when dealing with clearly excluded repairs.

Call adjourned at 3:00 pm CST. Next call will be the first Thursday of the month, Oct. 6 @ 2:30 pm CST.