

NHSCA Monthly Update

Thursday, December 1, 2016 at 2:30 pm CST.

2-10 HBW: Mike Bartosch, Lindsey Iten
AHG Home Warranty: Chad Forbush
AHS: Tom Courtney, Mark Celichowski
Fidelity: Bill Jensen, Chris Wasson
First American: Andy Hand
HomeGuard HW: Robert Hessling
National Home Guaranteed: Richard Adams
Old Republic Home Protection: Lorna Mello, Gwen Gallagher
OneGuard Home Warranties: Dave Hill

NHSCA: Art Chartrand, Joy Moore
Longbow Partners: NHSCA Lobbyist David Parker (Texas)
Matt Benedetti & Associates: NHSCA Lobbyist Matt Benedetti (Virginia)

Brief Highlights:

It was noted prior to the start of the call, there will not be a scheduled monthly call in January unless something major develops.

1. Virginia Legislative Initiative: Out of BOI to VDACS

Lobbyist Matt Benedetti reported the 2017 Virginia Legislative session begins January 11 and continues for only 46 days. The draft bill to move from the BOI to VDACS is ready to be assigned a Bill number by the BOI. Chartrand reminded members there are three financial options that will move over; 100M net worth total exemption, and the Clip, Bond and Reserve financial assurance options. There are no major concerns anticipated with getting the bill passed. Ed Buyalos with the BOI continues to send missive emails to members. Chartrand once again recommended members not reply to any of his correspondence unless the request is under the current law. Chartrand will plan to attend any testimony if need be. Benedetti will send the final mark-up of the bill to Chartrand and he will forward to members.

2. Texas Sales Tax Resolution

Chartrand noted we continue to wait for the July 14, 2016 memo to be signed and published. Chartrand received an apology from Tommy Hoyt for not following through on what he promised. Chartrand noted, since audits are on hold, there is no real pressure to get the ruling signed. Chartrand will probe Mr. Hoyt one more time to receive by the end of the year.

It was also noted, David will continue to keep a close eye on SCIC initiative on moving from TREC to TDLR.

Gallagher mentioned to David Parker it takes too long (90 days) to authorize forms for products with TREC. Other members are experiencing the same. Parker will explore with Bev Rabenburg.

3. Florida

Nothing new to report. We are still waiting on our markup bill and action. Matters were settled with our lobbyist on retention per earlier parameters set in June and later calls if the bill passes.

4. California

Chartrand redrafted and emailed another copy of the proposed, but limited HSC Fair Claims Amendments for additional input and reaction. Mike Belote had asked members to prepare and forward specific bullet points on specific costs and problems on claims and exams the current law causes each member. Chartrand noted he has received very little feedback thus far and no bullets. Belote emphasized we will need very precise answers to counter expected DOI objections, therefore members need to provide very precise bullet point style objections. Chartrand noted we are a long way from adopting anything or moving ahead with an agenda. If members are interested, please send Chartrand the bullet points as noted above. Chartrand also noted it may be best to schedule a call with Mike Belote with members at a later date to further discuss altering specific items, line by line, rather than the very broad-based agenda from the Georgetown Summit.

5. Arizona/Nevada: "less benefits paid upon cancellation"

Several members submitted the data requested on contracts cancelled and the impact upon refunds issued in the past three years. Moore will resend the memo with the spreadsheet of cost of provisions to those members who have not submitted the data. Both Arizona and Nevada are struggling with providing the complaint data that Chartrand requested via the Freedom of Information Act requests. He is meeting with the NAIC December 16 to see what data they have that they can release back to us. Chartrand noted he has confidence the limitations can be amended in both states but will take some work through this year as data is exchanged and challenged.

6. Other

After the recent presidential election, Chartrand shared a common belief that the CFBP may become less empowered under the Trump Administration. However, the rules under RESPA have not officially changed and agent compensation restrictions are still there as interpreted under the former regulation under HUD. Accordingly, Chartrand urged members continued caution in providing any inducements to real estate agents. If there is any indication otherwise in the wind or in provider practices, please let him know.

Chartrand staff will be spending time over the next few months inputting non-member service contract companies in the new NHSCA web based data system. Staff hopes to roll out the updated website with this new data in early 2017.

Call adjourned at 3:15 pm CST. Next call TBA.