

NHSCA Monthly Update
Thursday, February 9, 2017 at 2:30 pm CST.

2-10 HBW: Mike Bartosch, Michael Fletcher, Jessica Carlton

AHG Home Warranty: Chad Forbush

AHS: Tom Courtney, Mark Celichowski

Fidelity: Chris Wasson

First American: Jeff Powell

National Home Guaranteed: Richard Adams

Nations: Sharon Harrison, Rick Huskisson

Old Republic Home Protection: Gwen Gallagher

OneGuard Home Warranties: Dave Hill

NHSCA: Art Chartrand, Joy Moore

Longbow Partners: David Parker, NHSCA Lobbyist (Texas)

California Advocates: Mike Belote, NHSCA Lobbyist (California)

Brief Highlights:

New York: Issue of auto renewal as noted in Section 5- 903 of the New York law. Chartrand indicated none of our members are recognizing as applicable. No one is sending auto renewal notices by certified mail or delivering personally. We are taking the position it does not apply to us.

North Carolina: This is an issue that was raised last year. Members wanted a 60-day period rather than 45 days for auto renewals. SCIC dropped out of the effort. There was consensus to pursue as viable and no motion made.

Virginia Legislative Initiative: Good news. Chartrand sent a copy of the bill to members on February 2 that takes the regulation of the service contract industry out of the Virginia BOI and moves to VDACS. The effective date is January 1, 2018. So, there is no change in 2017. The delay was necessary to preserve the bill adoption and economic impact. A full summary of bill highlights was sent to all members.

Texas Sales Tax: More good news. The July 14, 2016 memo has finally been signed. Chartrand will publish his TPP article and asks members to do so as well. Members should spread the publication everywhere, to regulatory folks and corporate legal staff. Chartrand will resend to members.

Texas (TREC to TDLR): David Parker and SCIC have been in contact. SCIC has been talking about trying to move all of us to the TDLR and out of TREC. The effort has been revived to a varied mix of strategic amendments. They want to change some definitions that members need to be aware of. Chartrand will send a copy of the discussion draft bill and talking points to members. They are to respond by end of the day on Monday, February 13 as to their position on the changes.

California: Following the member conference call on January 30, Chartrand sent a written summary to all members. On that call, Belote agreed to look at the extremely high cost of financial exams and frequency of market conduct exams that are effecting our members. Belote noted a surgical approach would be most beneficial and requested members to supply him precise bullet point objections. Chartrand sent Belote raw language to look at and copied Mark Celichowski. Once reviewed, Chartrand will send to members. Belote gave members a state of the state of California and how incredibly “blue” the politics remain. It is his opinion any major initiatives will not be well received. Mike Belote requested Chartrand talk to the NAIC to find Fair Exam Cost Standards or guidance, if there are any.

Florida: There will not be a separate bill on the income offset legislation as it lacked sponsors. Our lobbyist is now pursuing other bills for potential amendment. We will continue paying our lobbyist, \$1000 month to continue to work with the legislation. The Florida legislation session begins March 7.

Website Update: We plan to finalize the new website design by the end of first quarter. We are in the final phases of the total overhaul. As noted previously, we are including a non-member database and the news function has been updated including history and press releases.

Annual Meeting Update: Our 2017 annual meeting will be at the Flathead Lake Lodge in Big Fork, Montana on May 25 - 26 with the option to stay over the holiday weekend. Staff will be contacting members for a preliminary count of attendees. The rates and amenities NHSCA has obtained for members make this meeting an awesome family opportunity.

Market Data Clarification: Chartrand reminded members to submit accurate precise data to us. Staff summarizes what is submitted by merging the reports received from members.

Call adjourned at 3:00 pm CST.

Next Call: TBA for March