**NHSCA Monthly Update**

**Thursday, February 1, 2018 at 2:30 pm CST.**

**2-10 Home Buyers Warranty:** Mike Bartosch

**AHG Home Warranty**: Chad Forbush

**Fidelity**: Billy Jensen,

**First American:** Jeff Powell

**HomeGuard HW**: Robert Hessling

**HMS Cross Country:** John Walsh

**HWA/Direct Energy**: Elizabeth Borges

**NHG:** Richard Adams

**Old Republic Home Protection**: Lorna Mello, Chris Wasson

**NHSCA:** Art Chartrand, Joy Moore

**CHSCA Lobbyist:** Mike Belote

**Roll call was taken and a quorum was present.**

1. **Update on California Legislation - Belote**

The current proposal is to avoid an onsite financial audit by the California Department of Insurance if one can show twice the statutory required net worth. The original proposal was to show twice the reserves until we determined such was unworkable.

After agreeing and liking the idea, Assembly Democratic Member Tom Daly, Chair of the Insurance Committee, has decided there is not enough of a consumer protection angle to carry the bill. Belote will obtain another sponsor by deadline of February 16. He anticipates Republican Frank Bigelow will carry the bill for us.

Chartrand clarified to members the language in the current law does not limit market conduct exams. Belote is only focusing on financial exams.

1. **Choice Application Update**

Per request by members last month, Chartrand sent a letter to Choice asking for more detailed information. Members were emailed Choice’s response before the call.

Chartrand noted Choice did not respond in any detail other than they are willing to get in compliance. Chartrand is concerned about appearance and optics as many regulators have less than a stellar view of Choice. It was determined that the best approach, before considering their application further, would be the NHSCA suggest they undergo an onsite compliance audit by Chartrand Legal Management, Inc. The audit will be sure to cover marketing practices.

Chartrand will work with Mello and Bartosch on a responsive letter to Choice indicating the above.

1. **Florida SB 842 Broxson Legislation**

Broxson has not pulled his bill, SB 842. NHSCA is trying to work with him. If he goes ahead with the bill it does not address the issues he has complained about. The real issue is the FBC will require us to match the interior SEER rating with the outdoor SEER rating. It appears it does not need to along as it is compatible, citing C501.7 of the FBC code. Federal law says you need to upgrade to the minimum SEER 14 on a broken unit and members are currently doing so.

FBC has ask us to send them a formal request for interpretive opinion. Chartrand is working with Roberts to do so. The soonest an opinion could be obtained is mid-April. The FBC representatives have indicated some friendliness to our suggestion the systems do not need to match as long they operate compatibly

We are on hold while Roberts keeps an eye on Broxson’s next move.

In a worse-case scenario, we will have to match. But if FBC agrees with us, our option would be for members to offer an upgrade as an optional add-on for a separate charge. Chartrand will continue to monitor and notify members.

1. **State Assessments (See attachment)**

Staff will put in writing the summary of assessments to members to consider for next month’s call. We are fine financially given the state fund reserves and offsets in the positive accounts. Chartrand suggested with the limited assessments currently, it would be best for everyone’s budget to catch up on a few states now. The assessment suggestions are included on the attachment.

1. **Washington DC Bills**

Unbeknownst to NHSCA, SCIC has been working with the District City government on a sweeping service contract bill. DC has never had a law. Chartrand has a conference call scheduled with the DISB next week. Chartrand intends to get them to pause and not go ahead with the bill. NHSCA members have about 10,000 contracts in DC. Bartosch and Chartrand will work together to recommend to the SCIC a monthly call option to improve communication.

**`**

1. **Update State Status** (*ability to deduct claims paid upon a consumer cancellation*.)

**NV**: Jim Wadhams agreed to come onboard with NSHCA and splitting the cost with SCIC. We are waiting to hear on cost amounts and status.

**AZ:** There is currently amassive rewrite of the bill with SCIC. NHSCA will vigorously seek to have our language included in the bill. Chartrand has instructed lobbyist Dave Childers to make sure our language gets included. No one will object other than some DOI staff. The Commissioner’s office is vacant until February 12, 2018. We have a Republican governor and a majority of Republicans on the committee hearing the bill.

**LA:** SCIC assured Chartrand over and over it does not include us but simply seeks simple registration with the Secretary of State as NHSCA previously obtained. Chartrand will continue to monitor.

1. **Market Data Collection Update**

Staff is still waiting for one member to submit the Q4 2017 report so that the NHSCA accountant can prepare the summary. The fields that were unnecessarily locked on the new form will be fixed for next quarter reporting.

1. **Annual Meeting Update**

Staff encouraged members to make their reservations as soon as possible at the Island House Hotel for the annual meeting June 20-21, 2018.

**To make a reservation at Harbour View Inn, the overflow hotel, call 906-847-0101 and ask for Michelle Dean. Let her know you are with the NHSCA Group.**

The call adjourned at 3:15 pm CST.

The next monthly call is March 1 at 2:30 pm CST. It is subject to change and a notice will be sent about a week in advance as a reminder.

