

NHSCA Monthly Update
Thursday, April 4, 2019 at 2:30 pm CST.

2-10 Home Buyers Warranty: Michael Bartosch, Lindsey Iten

AHS: Mark Celichowski

American Home Guard: Chad Forbush

American Home Protect: Corinne Maples

Fidelity: Lorna Mello, Adrienne Giacalone

First American Home Warranty: Jeff Powell

HMS/Cross Country: John Walsh

HWA: Leah Barton

Old Republic Home Protection: Chris Wasson

Universal: Holly Danorski

NHSCA Staff: Art Chartrand, Joy Moore

Guest: CA Lobbyist – Mike Belote- California Advocates

TX Lobbyist - David Parker – Longbow Partners

Roll call was taken, and a quorum was present.

Florida -

Our joint NHSCA and SCIC bill, HB925 (on reserves) was approved unanimously by the House Government Operations & Technology Appropriations Subcommittee this week. There were no amendments and no opposition. The next meeting is April 4, 2019. The Senate Bill SB 1690 (the 'rust' bill), Sen. Broxson Bill, is also proceeding.

Nevada -

The place holder Bill SB 357 by Sen Parks is not going anywhere. It appears he is probably going to let it die. Our proposed regulatory changes remain on track to be approved sometime this summer. There is no status change at this time.

Texas -

A hearing on our "5 points of light" legislation is scheduled for next Tuesday, April 9 at 8 AM. Chartrand plans to attend. TREC is pushing back on eliminating the CPA audit requirement. Forbush asked Chartrand about the update of reporting forms? Chartrand indicated it and the reserve calculation is in the amendment. There was no objection. Parker joined the call later and confirmed the report.

Arizona -

Several NHSCA members have come to agreeable language at the moment with the Arizona staff on pre-existing condition provisions. NHSCA Lobbyist Childers has indicated there is no vehicle to get anything done this year. Chartrand and Lobbyist David Childers had planned to visit with staff. Members appear agreed they can live settlements with DOI for now. Accordingly, it appears best to review the entire AZ law and put an entire package

of desired changes together to pursue next year. Staff will put a subcommittee of members together to develop language proposals on the entire AZ law.

Data Security Laws –

Alabama Bill passed the NAIC Model Insurance Data Security law. Chartrand noted there is a good argument that the law does not apply to the service contract industry as we are not “regulated or registered under the insurance code” in most states. Chartrand and members had called recently concerned this is the beginning of data security laws that may apply to the industry. Members agreed no indication to hire a lobbyist at this time to “fight” the data security laws, but we are best to be aware of them, educated and discuss as a group. Staff will include on the agenda for the annual meeting in May.

California – Mike Belote

Belote reported the 2019-2020 legislative session has begun. There were 2700 bills introduced. The legislature is predominately Democrat and it very difficult to kill many progressive agendas. California has a new insurance department administration in place. Belote noted that It is fair to say there is no bill relating directly to home warranty. But, there are some major issues that will affect the industry. The biggest one is the California Consumer Privacy Act (CCPA) that establishes groundbreaking consumer privacy laws. Belote informed members that they will need to gear up to comply. Chartrand emailed the actual bill to members while on the call. The range of power it gives to consumers is huge. Staff will add to the national meeting agenda and will invite Belote in person to discuss further.

Chartrand reminded members the need to understand the threat of the various laws that affect our industry, but are not at the core of home warranty. Privacy, auto renewal, data security and just a few. Being mindful of these developments is one thing. Gearing up to play a role in their development, let alone fighting them, would be a whole other matter.

Chartrand reported he has learned the FTC is working an investigation of the “bad actors” in our industry. He has been contacted and invited members to visit with him privately if they would like to discuss further. Related to that, CBS out of Chicago, has been having ongoing conversations, off the record, with Chartrand. They really want someone to go air with them to talk about the bad actors in the industry. They are not reporting on any of NHSCA members. Chartrand has not agreed to go on air for a live interview, but is providing off the record background and few short quotes about the value of using NHSCA members. He will visit the NHSCA executive directors to discuss further. Chartrand asked if any members wanted to go on air and talk to CBS. If so, let Chartrand know.

Market Data -

It appears there is a discrepancy between the NHSCA market data reporting and the Florida DOI statements. Staff contacted the two companies involved. There appears to be a reason based upon reporting “whole home” contracts versus single product contracts. Chartrand recommended a call be set to review the issues. Staff will set up a conference call and notice everyone who would like to join in.

National Meeting Update -

Moore offered transportation options from Reno Airport to The Landing Resort for annual meeting. Rental car seems to be the best option. Other options include:

- 1) **southtahoeairporter.com (large greyhound style bus) at \$30 one-way, \$53 round trip.**
- 2) **Uber - \$100 one-way**
- 3) **Taxi service is \$160 one-way.**

Also, if you have not, please let Joy know if your spouse, significant other or any other family member or guests will be attending our reception, dinner and/or Thursday boat and dinner outing.

Staff asked members to please RSVP to staff for the 10:00 am meeting on Friday, May 31 to explore the concept and details of a Home Warranty Conference involving industry and regulators.

Other -

Celichowski noted to members to be aware of NAIC cyber security law SB 21 in Nevada.

Next call is May 2 at 2:30 pm.