

NHSCA Monthly Update
Thursday, May 2, 2019 at 2:30 pm CDT

AHS: Mark Celichowski

American Home Guard: Chad Forbush

American Water Resource/Pivotal HS – Pat Wodack

Fidelity: Lorna Mello

First American Home Warranty: Jeff Powell

HMS/Cross Country: John Walsh

HWA: Leah Barton, Paolo Berard

National Home Guaranteed: Richard Adams

Old Republic Home Protection: Chris Wasson

NHSCA Staff: Art Chartrand, Joy Moore

Guests: **CA Lobbyist** – Mike Belote - California Advocates
 TX Lobbyist - David Parker – Longbow Partners

Roll call was taken, and a quorum was present.

Florida – Roberts

Both our pending bills have moved along. SB 1690 is scheduled to be considered by the Senate today. Since SB 1690 and HB 925 are identical, the Senate will take up HB 925 in lieu of SB 1690 and vote on HB 925 since HB 925 has already passed the House (by a vote of 109-0). HB 925 will be the bill that passes and will be sent to the Governor for action. It should pass quickly. Members noted their appreciation for the efforts of Lobbyist Roberts. Roberts summarized both bills which have been extensively reviewed in prior conference calls and emails. Anyone with questions should contact staff for copies or added analysis.

Texas – Parker

Lobbyist Parker noted he is still continuing to work with TREC on agreed language for HB 2304. The Texas legislature closes in 25 days. Chartrand noted he and Parker had eliminated or negotiated out opposition from TREC, concerns from TAR, and various other contractors. Final language is not (and never is) “perfect” or what we would have preferred, but it works. In response to a question by Forbush, Parker indicated the TREC report formats have not been discussed with TREC and will be put on the table once the legislation passes. Chartrand noted reporting forms will need to be changed administratively rather than statutorily and all our focus has been on the statutory changes. When the session is over, we may wish to involve some members working with staff and TAR in person in Austin.

Oklahoma

We still expect passage of SB 1010 this session in which we avoided prior approval of forms in return for informational filing upon registration and renewal. [See Page 34 of the bill] It reads:

A. Service contracts marketed, sold, offered for sale, issued, made, proposed to be made, or administered in this state shall be written, printed, or typed in clear, understandable language that is easy to read, and shall disclose the requirements set forth in this section, as applicable. Each service contract provider shall, upon initial registration and at renewal of its registration, file a copy of each of its current contracts issued in this state for informational purposes. The provider shall update a filing any time a change is made to the service contract that materially affects a contract holder's rights or obligations or upon written request by the Department.

Chartrand reminded members the 2% premium tax law was changed in 2011 to a 2% administrative fee. It would be surprising or unusual if anyone not cited for payment of this fee.

Iowa

HB 747 is a SCIC bill. The bill language does not effectively change anything material but was intended to merge the service contract laws into one and make a few clarifying amendments. Adding the words "or indemnify" to the definition was added to change statutorily the waiver the Director had granted us several years ago. The bill is still pending in committee.

Merchant Advocates Call

An informational conference call was held on Wednesday, May 1 for NHSCA members interested in hearing from Jeff Shavitz with Merchants Advocates. His company negotiates the reduction of credit card processing fees by locating hidden costs. They function as a intermediary and work on a 50/50 revenue sharing basis. Following the call on May 1, Fidelity and National Home Guaranteed signed up for a free assessment. Shavitz offered to send a pro-forma contract to Chartrand that he can share with members. Since one of our NHSCA members has seen significant savings, it was decided by the members to set up an open call with a webinar to learn more in-depth about how the program works.

Market Data

A call is set up on May 7 regarding the discrepancy between the NHSCA market data reporting and the Florida DOI statements. Chartrand noted data being reported to the states is sometimes different than what is reported to the NHSCA. There may or may not be valid reasons for this and we simply need to explore them. The Florida situation

recognized one issue may be in reporting whole home and single appliance contract numbers. We should resolve a clear policy on for future reporting.

Nevada

Forbush forwarded a copy of the Nevada statute in an email to all members on the call. He noted his frustration in dealing with reporting under the 24hr/3-day emergency rule. Forbush asked members to explore and share information on how they close jobs and handle reporting under the rule. Forbush indicated there is no penalty for non-compliance of the statute at this point, but he is concerned with the summer months approaching. Celichowski reminded members of the reporting function (Question #11) on the member renewal application. Staff will set up a conference call to delve deeper into the history and compliance under the rule. Chartrand noted that current regs under review will soften the emergency rule but will not eliminate it. However, NV DOI senior staff appear more understanding we do not offer emergency services which may mitigate some staff unusual and unreasonable preoccupation with compliance under the rule.

Chartrand informed members that Nevada Department has indicated it will send the Commissioner and/or a senior staff to meet with members at the annual meeting.

Guaranty Fund

Chartrand explained to members the concept of a possible “guaranty” or “relief” fund provided by the NHSCA. Consumers who have been taken advantage of or have not gotten claim relief with non-member companies might be eligible to receive funds from the NHSCA that would provide some relief for wrongly denied or simply uncovered cases of hardship. He noted that this type of fund could provide great public relations and let state regulators know the NHSCA is out there to help consumers. Further discussion to follow at the annual meeting as to whether we should consider such a project.

National Meeting Update

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

Meeting adjourned at 3:30 pm CDT.

See you in Lake Tahoe!