**National Home Service Contract Association**

Annual Regular Board Meeting

Thursday, May 30, 2019

The Landing Resort & Spa, Lake Tahoe, NV

(Casual Attire)

**In Attendance**

2-10 HBW Mike Bartosch

\*American Home Protect Corinne Maples

American Home Shield Companies Tom Courtney, Mark Celichowski,

 (*AHS, HSA, OneGuard, Landmark*) Raj Midha

America’s Preferred Home Warranty Rodney Martin, Phil West

\*American Water Resources/Pivotal Home Solutions Eric Palm, Laura Wiskari,

 Meghan Boyle

Fidelity National Home Warranty Lorna Mello, Adrienne Giacalone

First American Home Warranty Jeff Powell, Zach Zaherek

HMS National/Cross Country John Walsh

HomeGuard Home Warranty Robert Hessling

Home Warranty of America/Direct Energy Paolo Berard

Nations Home Warranty Sharon Harrison

National Home Guaranteed Richard Adams

Old Republic Home Protection Gwen Gallagher, Chris Wasson

**Indicated in advance will be absent:**

AHG Home Warranty Chad Forbush

Universal Home Protection James Imhoff

**\*New members**

**Staff:** Art Chartrand, NHSCA Executive Director & Counsel

 Joy Moore, NHSCA Manager

**Guests via telephone:**

Mike Belote, California Advocates, CA Lobbyist

David Parker, Longbow Partners, TX Lobbyist

 David Roberts, Nortelus Roberts Group, FL Lobbyist

 Scott Shorter, Concera Media

 Ken Trepeta, RESPRO

**Guests:**

 Barbara Richardson, Commissioner, NV Division of Insurance

 David Hall, Sr. Staff Attorney, NV Division of Insurance

 Matt Robinson, Argentum Partners, NV Lobbyists

***Guest: Barbara Richardson, NV Commissioner and David Hall, Sr. Staff Attorney***

Nevada is developing a new online system for filing applications. They still use SERF for reviewing the forms, but the focus is on the application and the way the contracts actually work under the law.

The Insurance Division is looking for data on “smart” appliances and how the consumer is using them. Richardson suggested our members might provide such data.

Home service contracts are not insurance in any state. Chartrand noted with the exception of a few states that allow coverage on a roof leak or power surges, if an item is insurable, a home service contract cannot by law cover it.

Emergency issues were discussed. Members pointed out that they go to great lengths to advertise that contracts are not emergency services. “Managing customer expectations” is the challenge that Commissioner Richardson noted several times. The Commissioner appeared in agreement, but noted some legislators have high expectations. Chartrand indicated the industry tries hard to respond to those with hardships, elderly or physical ailments if we are informed. Air conditioning in times of high heat or heat in times of freeze are priorities but we cannot waive a magic wand to make them work. The challenges to service or repair timely are the same whether you have a service contract or not.

Fraud discussion: The NV Department will be getting more financing for fraud investigation. Chartrand suggested Richardson reach out to the NHSCA or our member companies for help in locating the “bad” apples in the industry. The NHSCA is are always willing to help.

Matt Robinson, NHSCA Lobbyist with Argentum partners gave a brief update as outlined in the legislative report.

Chartrand explained the issue of resolving the ability to deduct benefits paid upon consumer cancellation via regulation. Richardson agreed.

Richardson concluded by asking about companies entering the space of service contracts which operate and offer insurance benefits. This was novel to those present.

Gallagher noted the concern over home service contract companies being considered general contractors under the law in Nevada Richardson indicated she agreed home service companies were not general contractors. Gallagher said she would supply Richardson the unusual court case involved.

**Convene Regular Board of Directors Meeting – Call to Order – Mello**

**Treasurer’s Report – *Walsh***

The balance as of May 15, 2019 in the general fund is $62,334.33. The State fund balance is $117,330.25. Of the latter amount, $65,521.81 is the reserve fund which helps pay bills until assessment, but also represents the growth of the association since inception.

Chartrand suggested allocation of funds for any expense *other than lobbying fees* now be charged against the general fund rather than try to allocate costs to various states most directly affected. This also keeps the state fund restricted to non-deductible lobbying expense. All members agreed to the change unanimously. This will replace the old policy that was implemented in 2016.

A new expense of $3500 this year is for BillTrack50 legislative tracking software. In addition to the Association, all members have access to the software and Chartrand utilizes it to alert him of any changes happening in the states. Any member who wants to have access, give Moore a call.

The lobbying report reflects our internal accounting for disbursing lobbing fees. The intent is to eventually equalize the state assessments. A motion to approve the 2019-20 budget and treasurer’s report was made by Adams and seconded by Wasson.

**Recent Monthly Call Summaries** were included in the binder for May 2 and April 4, 2019. Following the calls, a summary is emailed to each member and posted under the member log-in area of the website.

**Corporate Business**

A copy of the By-law amendment, Section 3c, regarding the status of the president was included in the meeting binder along with a summary of the NFP Organizational Liability Policy which was once again renewed with State Farm.

**Executive Director Transitional Plan**

Chartrand plans to retire from full-time law practice at the end of 2020. A committee of Adams, Mello, Forbush and Walsh has been formed to discuss a transition plan. Members requested a draft plan by the end of 2019. Moore may plan to continue handling the administrative work after Chartrand retires. Chartrand envisions the mechanics continuing to stay in Kansas City, with a change principally in the regulatory counsel role. He anticipates he will remain on for several years in a consulting role.

**Membership**

A member contact list was included in the meeting binder. Moore requested members update cell phone numbers and emails. She will email the updated version out to members following the meeting.

Moore collected the state assessment reporting forms from members who were in attendance. All forms should be emailed to Moore at joylmoore@mac.com. Companies with states that have 100 contracts or more in force are assessed for lobbying efforts in that state and pay membership dues accordingly. States with less than 100 contracts will be listed on the website.

Chartrand reminded members there is a non-member database on the NHSCA website under the member log-in area. All members have access to it. We continue to update.

Chartrand reminded members to contact prospective NHSCA members (list of contact information is in the binder). American Residential Warranty is on the cusp of joining, just may need some additional push. Fixed Repair Home Warranty has been bought by Home Advisor. Achosa Home Warranty is a great new start-up. Two additional companies were recommended we contact for membership; Amazon Home Warranty, Super Home Warranty out of San Francisco and an online platform called HOMEX. Let staff know if there are others we need to contact.

The provisional membership concept was previously tabled. Chartrand urged members to keep the concept in mind to possibly discuss at a future meeting.

**National Meeting & Expos – *Mello***

Members voted Hilton Head Island as the preferred site for the 2020 national meeting.

NHSCA staff will do research on hotels and other options if Hilton Head is not feasible. Members all agreed to continuing to invite families and significant others to join the fun and networking.

Staff will attend the TAR Expo on September 14, 2019 in Fort Worth.Members requested the cost of the Nevada Expo be identified and approved by the Executive staff prior to signing up. It is September 26-27, 2019 in Las Vegas. No other Expos will be attended in 2019.

It was decided that the Texas Warranty Association (TWA) domain should be renewed for 5 more years.

**Market Data Collection Reports**

An email of a recent teleconference summary was included in the binder regarding reporting whole home contracts vs single product contracts. After considerable discussion, a committee was formed to further discuss how the Association collects data. The committee is comprised of Gallagher, Palm, West & Courtney. Staff will set up the call and notify the members.

**Communications - Website analytics an enhancement – Scott Shorter, Concera Media**

Analytics for May 2018 – May 2019 are located in the meeting binder. Performance is about the same. There was a 34% increase in referred users from Google organic searches.  The number one driver for the organic search was the Personal vs Real Property article posted in 2017. It is a high-value article that indexed well in searches and picked up a lot of traffic in 2018 & 2019 which helps the search ranking.  Shorter suggested members create backlinks to the NHSCA and vice versa. He also indicated that after 18 months a website should be refreshed with content and look. So, next year might be the time to do that.  Also, the member tool is very old, and not completely compatible with the current version of Wordpress and needs to be upgraded.

**PR & Media Relations – *Chartrand***

Chartrand reminded members he reaches out to give the NHSCA perspective to the media and reporters. He prefers to engage and educate them which is the standard posture of the Association. In response to several media reports that have been circulating, Chartrand recently authored a column piece and press release that were included in the meeting binder. (1) Home Care made EZPZ and (2) NHSCA Serves Up Resources to Media in Effort to Better Serve and Educate Consumers. They are posted on the NHSCA website.

Twitter Acct: @coveryourhome is active. Chartrand posts periodically.

**FINAL itation Program is, Homeserve USAs May 5, 2016.toschLobbyist via telephone**Accredistation**Old Business**

Mark Celichowski has agreed to be the standing liaison between NHSCA & SCIC. Our relationship with SCIC continues to be a challenge. We need to keep laws separate on home warranty.

NHSCA adopted policies and procedures were included in the binder. Recently adopted policy on communication protocol was noted as well because it happened last year.

**New Business**

Belote discussed privacy bills that are pending and suggested a possible webinar with our members to educate them. We have not really focused much on non-core home warranty bills and issues. But, if the NHSCA is aware of something, we want to make members aware, The NHSCA is not hiring lobbyist to fight auto renewal bills or other non-core issues at this time. We have concentrated on core issues.

Walsh suggested the Association form a “Legal Counsel email forum” and invite all member attorney’s join if interested. All attorney’s present at the meeting were interested. Staff will form the list and set up the first conference call to get the forum started.

The compliance chart has been totally overhauled and posted on the website in native Excel. It represents a high level picture. It is a work in progress.

A Consumer relief fund was discussed. It is a provocative item and an idea to consider from a PR standpoint. Chartrand hears regulators ask how the Association is helping consumers who have been screwed over.

Several of our members have employed Merchant Advocates. NHSCA will receive a percentage of the revenue generated by our members.

**RESPRO Report**

Ken Trepeta, Exec Director of RESPRO gave a brief report via phone.The next RESPRO meeting is the Fall Seminar, Sept 11-12 in Charleston, SC. Ken covered Legislative prospects or Dodd-Frank; RESPRO priorities and projects; prospects for reform of various CFPB rules under RESPA and indicated they are very slim in this Congress. RESPRO has been working more at the state level such as in Utah to allow more affiliations between title companies and real estate companies. RESPRO is working with CFBP to follow RESPA and enforce it as written and not allow unfair competitors who skate by the rules and enforce industry best practices. Wire fraud and data security is also a high priority.

A question was raised about impact of UDAP, even if one is not compensating brokers. Trepeta noted that CFBP has long failed to adequately define UDAP realistically and consistently and is pushing for the same.

**The Affairs of States: *Regulatory and Legislative Review - Chartrand***

A complete summary is provided in the meeting handbook and incorporated here by reference.

The failure to pass our package in Texas was a major disappointment. Passing legislation in year one is always a rare achievement. Unfortunately , Texas legislature does not meet next year. We will work with our Texas lobbyist to see what can be achieved by regulation or administratively until the legislature convenes again in 2021.

Chartrand indicated he had posted an updated NHSCA Compliance Chart to the website. He encouraged all members review and provide any challenges or new information to that on the chart. Updating this chart might be the main role of the newly formed NHSCA Counsels Committee.

**Other Matters**

**Member Promotion –** Blankets and ball caps with the NHSCA logo were distributed to members by *Moore.*

**Next Monthly Conference Call Tuesday, July 9 @ 2:30 pm CDT.**

(This is a Tuesday this time due to July 4 and July 11 conflicts and skipping June and August)

Upon motion to adjourn by Martin, second by Courtney, the meeting adjourned at 1:30 PM.

The Exploratory NHSCA Home Warranty Conference was held Friday, May 31, 2019**.**

**Editor note:** At such meeting it was determined to explore an expanded breakfast and invite interested vendors for a fee at the 2020 annual meeting. This would extend the regular meeting to perhaps 3 PM. The group opted not to pursue a second full day or NHSCA industry warranty conference or school at this time.