

**NHSCA Monthly Update**  
**Thursday, Nov. 11, 2021, at 3:00 pm CDT**

**2-10:** Jacqui Crockett, Lindsay Iten  
**AFC Home Club:** Randall Reis  
**American Home Protect:** Ashley Altick  
**America's Preferred Home Warranty:** Rodney Martin, Phil West  
**Choice Home Warranty:** Jim Mostofi, Brian Tretter  
**Fidelity:** Lorna Mello, Adrienne Giacalone  
**First American Home Warranty:** Andy Hand, Zach Zaharek  
**Guard Home Warranty:** Sergey Spisovskiy, Mikail Koval  
**Home Warranty of America:** Michael Longoria  
**Old Republic Home Protection:** Frank Caballero, Jim Mullery

**NHSCA Staff:** Pierce Haley, Executive Director  
Art Chartrand, Of Counsel  
Joy Moore, Admin.  
Travis Moore, Jr. Sr. Legislative & Regulatory Counsel  
**Advisory Council:** Randy Whitehead, NSA

Roll call was taken, and a quorum was present. Executive Director Haley reminded members of the NHSCA anti-trust statement.

President Hand welcomed new NHSCA members, Sergey Spisovskiy and Mikhail Koval with Guard Home Warranty and Jim Mostofi and Brian Tretter with Choice Home Warranty. Both new members made brief introductions. Haley also welcomed the recent new affiliate members on the NHSCA Advisory Council.

### **State Updates**

#### **Nevada - Haley**

Haley noted there is limited information available from the NV DOI re the proposed language for "emergencies". His last correspondence indicated the DOI is still reviewing. There is no meeting set yet.

#### **Arizona – R20-6-407 - Moore**

An oral hearing was held Nov. 4, 2021. Representatives from the NHSCA, SICIC, CCIA (Consumer Credit Industry Association), and APCIA (American Property Casualty Insurance Association) were present along with members of the AZ DOI. The department pushed back on several issues raised by NHSCA and other associations. In the end they did not indicate one way or another if they would amend the proposed rule. They have 120 days to decide whether to scrap the rule, issue a Notice of Supplemental Proposed Rule Making or proceed with the rule as written. If they proceed as is it will be reviewed by the Governor's Regulatory Review Council and/or the AG within 90/60 days respectively. The

rule would go into effect 60 days after filing with the Secretary of State. If they do not modify the rule as proposed, NHSCA will need to assess whether a legislative initiative is necessary, perhaps seeking to get regulation of home service contracts out of the DOI.

### **Texas - Haley**

Haley and NHSCA Lobbyist Parker had a call with Mr. Makan, the TDLR staff person running the program. Haley reported that TDLR has zero rules. This will remain status quo until February 2022. The TDLR will then have forms at that time and rules in place going forward.

There is a Zoom meeting scheduled for Dec. 14 by TDLR for all providers to provide an overview. TDLR indicated to Haley all licensee providers should have received a notice of the meeting.

Haley noted TDLR is already saving the association money by eliminating various TREC fees and filings.

### **New Hampshire - Moore**

NH DOI is proposing a bill that would in part adversely impact home service contracts. First, they are seeking to add a section to the statute prohibiting a provider from failing to refund all unearned premiums upon cancellation. Our understanding is that this does not restrict deduction of claims paid, but that it does limit the ability to charge an administrative/cancellation fee. Second, the bill would require that a provider must demonstrate "substantial prejudice" to deny a claim based on prior approval.

### **Florida- Moore**

Florida has drafted a proposed bill that would require that service contracts be cancellable in the same means the contract was entered into. Moore recommends we not oppose this but rather seek to comply as many other states are adopting similar requirements. The bill would also substantially expand advertising restrictions. Currently, the law requires a print ad to include the provider's name, address, and license number. The bill would expand that to audio advertising and apply it to licensed sellers as well. It also adds disclosure requirements to telephone solicitations. Failure to comply results in a second-degree misdemeanor punishable by up to 60 days in prison and/or \$10,000 fine. Moore suggests this is too harsh. SCIC, based in Florida, is aware of and responding to the bill. We will continue to monitor and decide in the future if we need to intervene.

### **New Member Drive**

A motion was made by Martin and seconded by Crockett to accept the membership application for Priority Home Warranty and approve them as a national level member. Staff will notify them of the vote and request payment for Q4 dues.

### **California – Moore**

SCIC has drafted a bill that would establish a limited line license for third party sellers to sell home protection contracts. NHSCA has always maintained that no one needs a license in CA to sell a home protection contracts. It appears there is some disagreement within the industry over the interpretation of CA law. Mostofi with Choice Home Warranty suggested they have always understood CA law to prohibit unlicensed third-party sellers. Chartrand advised industry practice has for many years been to not license sellers and CA has never objected. Chartrand has a brief memo on the topic that Moore will share. Chartrand remains very concerned even discussing the issue when never officially raised by the DOI is a dangerous invitation for them to act.

### **Affiliate Membership & Symposium Update**

Whitehead reported affiliate members of the Advisory Council continue to be added to the NHSCA and everyone is excited to begin working on the symposium and helping.

He shared with members a comprehensive outline of what possible topics, break outs and speakers would make up the symposium and how it might be presented. He reminded members the symposium will be held in conjunction with the NHSCA annual meeting the week of June 7-10, 2022, in Santa Fe, New Mexico. Thursday & Friday are the selected days for the symposium days (1 ½ days) with the NHSCA annual meeting conducted on Wednesday. NHSCA staff will be conducting a site visit at the Hotel Santa Fe on November 16. Whitehead encouraged all members to locate attendees to invite. Altick requested a list of possible invites. Whitehead will send a list out to Haley to distribute to members with possible invitees to consider and contact.

Encompass will provide staff to manage and to take the lead on marketing, purchasing software to handle registrations, and basically manage all the logistics. There is a call set for Nov. 12 to introduce NHSCA officers and staff to Kristin Hurst, the meeting planner with Encompass that has agreed to manage the entire program. The goal is to have at least 70 ***paid*** attendees or more.

The purpose of the symposium is to establish NHSCA as the “voice” of the industry! Chartrand gave a shout out to everyone who has taken a role in making this symposium a reality!

### **Accreditation Status**

There was a motion to approve the accreditation status for Guard Home Warranty and second by Crockett. The motion was unanimously approved.

**New Business**

Crocket requested NHSCA staff send out calendar notices for the monthly meetings for the first quarter in 2022 so everyone has them on their calendar ahead of time

Staff will remind members to send in Q3 YTD market data collection forms. Chartrand reminded members with the flux in members, ongoing growth of membership and the new data reporting form, it may take several years for data to trend correctly or be of great use. Haley will be taking over the collection and has some added resources to perhaps make the data more stratified and useful.

Meeting adjourned at 3:50 pm. The next meeting is set for Thursday, Dec. 2. @ 3 pm CDT.