

## **NHSCA Monthly Update**

**Thursday, November 3, 2016 at 12:00 Noon CST.**

**2-10 HBW:** Mike Bartosch, Lindsey Iten  
**AHS:** Tom Courtney, Mark Celichowski  
**Fidelity:** Bill Jensen, Chris Wasson  
**First American:** Jeff Powell  
**HMS National/Cross Country:** Dale Huber, John Walsh  
**OneGuard Home Warranties:** Dave Hill  
**Old Republic Home Protection:** Lorna Mello

**NHSCA:** Art Chartrand, Joy Moore  
**California Advocates:** NHSCA Lobbyist Mike Belote  
**Matt Benedetti & Associates:** NHSCA Lobbyist Matt Benedetti

### **Brief Highlights:**

#### **1. Virginia Legislative initiative out of BOI**

Prior to the call, NHSCA members were to reexamine the potential issues and costs relative to moving from VA BOI to VDACS (Department of Agriculture and Consumer Services). Under VDACS, members will be subject to income tax of 6% net vs premium tax of 2.4% gross (and potentially sales tax). Right now, under BOI, members are exempt from state income tax since they pay a premium tax. After further discussion with members and Lobbyist Matt Benedetti, Chartrand noted this effort has been approved but was merely paused since the last call. No motion was made to terminate the effort. Bartosch made a motion to continue the effort to move from the BOI to VDACS as previously discussed in the October 13 teleconference, and to move forward with the change and to make a contribution Terry Kilgor, Sponsor and Chair of the Committee. Courtney 2<sup>nd</sup> the motion. Motion passed unanimously.

#### **2. Texas (TREC to TDLR)**

NHSCA lobbyist, David Parker will meet with the SCIC lobbyist to further discuss the prospects of the SCIC exploratory initiative to move out of TREC. No legislation has been drafted yet by SCIC. Chartrand will monitor and keep members informed. Chartrand noted, if a less regulatory approach, NHSCA should consider closely. He requested members send him feedback on whether a good idea or not.

#### **3. Texas Sales Tax Resolution**

Chartrand noted we continue to wait for the memo to be signed and published. Chartrand has requested Tommy Hoyt sign by Thanksgiving. Chartrand will publish the TPP immediately after the memo is published.

#### **4. Florida**

The Florida legislative session starts the week before Thanksgiving. Lobbyist David Roberts will be pushing the stand alone bill. Chartrand reminded members the expectation is if this is successful, we may continue to retain Roberts for a few years into the future.

## **5. California**

Chartrand emailed the draft HSC Fair Claims Amendment language memo (Dated October 27, 2016) which included an entire set of provisions in CA Ins. Code sec. 12762 effecting service contracts to members doing business in California for more input and reaction. If what is proposed is perceived anti-consumer, Belote indicated there would be a problem. Lobbyist Mike Belote asked members to prepare and forward specific bullet points on specific costs and problems on claims and exams the current bill causes each member. Belote emphasized we will need precise answers to counter expected DOI objections.

## **6. Arizona/Nevada “Less benefits paid on Cancellation”**

Chartrand met with both Nevada and Arizona DOI October, 20-21, 2016. Both state departments brought up the concern of fraudulent players in the industry as well as our consumer service reputation. They both essentially demanded progress in these areas as well as the cost of these restrictive provisions for the industry before moving forward. Chartrand offered renewed and increased cooperation on working on fraud.

Chartrand has requested data from NHSCA members doing business in Arizona and Nevada on contracts cancelled and impact upon refunds issued in the past three years. Chartrand also is sending a Freedom of Information request to both states to get complaint data which may put better perspective on the state’s indicated concerns.

Chartrand informed both Departments in their prospective meetings, by the first of the year, there will be the interactive ability to access every home warranty company currently doing business in the country. Both Departments were excited the NHSCA is building such a database for them.

**Call adjourned at 12:42 pm CST. Next call will be Thursday, December 1, 2016 at 2:30 PM CST.**