

NHSCA Monthly Update
Thursday, March 2, 2017 at 2:30 pm CST.

2-10 HBW: Mike Bartosch, Lindsey Iten
AHG Home Warranty: Chad Forbush
AHS: Mark Celichowski
Fidelity: Chris Wasson
First American: Andy Hand
HMS: Dale Huber
Landmark: Chris Smith
Old Republic Home Protection: Lorna Mello

NHSCA: Art Chartrand, Joy Moore
Longbow Partners: David Parker, NHSCA Lobbyist (Texas)

Brief Highlights:

President Bartosch reminded members to make their reservation for the 2017 annual meeting at the Flathead Lake Lodge so staff will know how many will be attendance for planning purposes. Flathead is a unique place and is priced right for families to join in the fun. For example, dinner Friday night is by horseback or firetruck.

There is no master way to track all the bills that get introduced in states every year. Members are the eyes and ears in the industry and they need to let Chartrand know if there are any bills out there getting a hearing.

America's Preferred Home Warranty: Staff received contact from Rodney Martin with American's Preferred Home Warranty, based in Michigan. Chartrand spoke with Rodney and his top people in the company by phone. They indicated they would be submitting an application and along with payment for first quarter. Chartrand has received input from a few NHSCA members with some concern about APHW's marketing and sales practices. Once the membership application arrives, staff will send out to all members for review for discussion at the next monthly call.

Virginia Legislative Initiative: Good news. The bill passed in both houses and is waiting for the Governor's signature with an effective date of January 2018. This is a huge victory for the NHSCA this year. Lobbyist Matt Benedetti did a tremendous job.

Sales Tax Questions: Forbush inquired about charging for county and local sales tax in Texas. Chartrand noted sales tax must include the total of state and local taxes as is the case in other states. The one gray area in Texas is what is tangible personal property. Each company must decide on its own and be prepared to defend in the event of an audit. Chartrand suggested any detailed sales tax questions be handled on a separate call and he would be glad to review any of them with all members.

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Texas (TREC to TDLR): A SCIC “shell” bill is HB 2279. SCIC reviewed with TREC and they did not like any of it. The sales rep license exemption was withdrawn and they pulled the idea of total exemption for HVAC. No hearing is yet scheduled. SCIC indicated it would revamp the bill with a more palatable alternative. Chartrand noted that original items to eliminate prior approval on forms and rate filing was fairly popular, most everything else proposed would be problematic for NHSCA members. Lobbyist David Parker has been instructed to monitor the bill very carefully, explore some possible common ground to eliminate form and rate filing but otherwise oppose. Chartrand’s impression is the bill is not going anywhere.

California: Local counsel Belote was unable to make the call. Chartrand indicated Belote will continue to pursue the high cost of financial and market conduct exams, but does not hold out a lot of hope for this year. Belote informed Chartrand of SB 313, an anti-auto renewal bill that was recently filed. Staff sent a copy to all members via email and ask everyone to review. This bill would not be good for the service contract industry and would be problematic for everyone. Chartrand reminded Belote of our NHSCA model, which allows people to cancel anytime and get a pro-rata refund less claims paid. Chartrand noted legislators around the country find our model fair and suggested Belote take a look at it. Belote will look at killing the bill since it would adversely affect our industry.

Florida Offset Legislation. The Florida legislation session begins March 7. No news to report.

Website Update: The new NHSCA website is planned to go live on March 9-10. Chartrand asked members to be patient and let staff know if they see any issues or changes that need to be made. There could be a slight interruption of service. All member user name and passwords stay the same for the member log-in area.

Vice President Nominees: Landmark was recently acquired by American Home Shield. Alma Jeppson is no longer our vice president or with the company. He was a great contributor to the NHSCA and will be deeply missed. Chartrand asked members to be thinking about nominations for the position and reminded them the vice president will become president in June 2018.

Arbitration Clause: Chartrand asked for input from members whether they want to change the NHSCA Arbitration Clause to reflect the model that was suggested by AHS. Staff will send a copy of the AHS model to members via email. Chartrand has also sent the model to a few member attorney’s for their opinion.

Call adjourned at 3:00 pm CST.

Next Call: Thursday, April 6, 2017 @ 2:30 pm CST