

NHSCA/CLM, Compliance Chart

9/1/17

Members may REQUEST NATIVE XLS VIA EMAIL.

Confidential and Proprietary NHSCA This chart is based upon member input with limited review and will be updated as further information, research and clarification is obtained.

Ongoing member input is encouraged. This is a guide only. Legal counsel should always be consulted.

STATE	Contractor Licensing General	Contractor Insurance Requirements	Disposal Issues	Parts Compatibility Issues	Free contracts	DOI LIC or REG	Cite	LIC OR REG Frequency	INS OR NOT	Rate Filing	Sales Reprs Licensed	Inducement Issues	REGS	FIN ASSURANCE	Prem Taxes	File ANNUAL "REPORT"	Other Fin Requirements	FILE ANNUAL FINANCIAL STATEMENT * IF Audited	Quarterly reports/Annual or NAIC	Holding Company Act Filings A, B, C, D, E, F
Alabama	The state of Alabama requires any general contractor working on a commercial or industrial project costing \$50,000 or more to get a license. If you're the general contractor on a residential project that costs \$10,000 or more, you need a license.				Silent	REGISTRATION	8-32-1 (1997) "Service Contracts"	Annually \$200	NO - A service contract is not insurance for any purpose.	NO	NO	NO	NONE	1. CLIP OR 2. RSRV Fund 30% of gross fees for sold and in force K's. Min Sec Deposit of 5% of gross fees or \$25,000 via bond, cash, LOC or other OR 3. \$100M NW or SE	NO	Just annual REGIS		NO	NO	NO
Alaska									NO, Exempt 21.03.02(1)(e)											
Arizona	Basically, you need a license to bid on any job over \$750 in Arizona, other than appliances. An appliance license is only needed for repair or replacement of a gas appliance, or an electrical appliance that must be hard-wired into the home and not plugged in. Hard-wiring is typically not covered and is usually handled by an Electrician.				Silent	YES "permit" (LICENSE) \$100 Permit fee ARS 20-6-407	11-20-1095 (1983) "Service Companies"	Annually Fees 20-167 various	NO, by definition	NO	NO	YES ARS 20-452 Can give nothing over \$10 value	ARS 20-1095	1.. Min Sec Deposit \$100,000 cash or equal, OR Bond 2. \$100M NW	NO	Just annual REGIS		NO	NO	NO
Arkansas					Silent	REGISTRATION	ACA 4-114-101	Annually \$200	NO - A service contract under Section 4-112-103 is not	NO	NO	NO	None	1. CLIP OR 2. RSRV Acct 40% gross less claims pd PLUS Sec Dep of 5% of gross or min \$25,000 bond OR 3. \$100M NW	NO	Just annual REGIS		NO	NO	NO
California (Sim to VA)	With a few exceptions, all businesses or individuals who work on any building, highway, road, parking facility, railroad, excavation, or other structure in California must be licensed by the California Contractors State License Board (CSLB) if the total cost of one or more contracts on the project is \$500 or more.				NO 12761	LICENSE	CSA 12740 "Home Protection Contracts"	Annually	BUT DDI disagrees	NO	NO	Cannot pay commission to anyone 12760	MANY UFGSPA & REGS for Insurers	40% of gross premiums OR \$ 12753 Reinsurance (CLIP)	YES 2.35% 12201(a) same as insurer	YES. SEE >	Min. NW \$40,000*PLUS*	YES NAIC	As of Jan 1, 2015, Annual only.	YES all HCA filings
Colorado	General construction contractors in Colorado are not licensed by the state. You should check for license requirements at the local level. However you will need a license to do electrical or plumbing work.																			
Connecticut																				
Delaware																				
District of Columbia	Electrical, Plumbing, Asbestos Abatement, Home Improvement, and Refrigeration and Air Conditioning contractors must be licensed to work in the District of Columbia.																			
Florida	You need to be registered or certified to do construction work in Florida. You can get a "registered" contractor's license at the local level, unless a certified license is required by the county you want to perform the work in. Contractors with a "certified" license are allowed to work anywhere in the state.				Prohibited s 634.312 and 331 by implication no free k. even after listing period	LICENSE	Ch 634.301 P II "Home Warranty Association"	Annually \$200 June 1 FC 690-199.010	NO	NO	FL YES 634.317 Lic AND Appt as Sales Rep	None	FAC 690-199	Reserves: 25% of grosspremiums PLUS 1/6 net asset to prem OR CLP 634.3077	YES 2% 634.313			YES YES "Verified Fin Stmt" Allows GAAP 634.313	YES	NO
Georgia	Asbestos abatement and the mechanical trade contractors need a license in Georgia. Mechanical trades include HVAC, Plumbing, and Electrical.																			
Hawaii	Hawaii requires general engineering, general building and specialty contractors to be licensed, including Garage Door Opener.				Silent	REGISTRATION	Ch 481 "Service Contracts" (2000)	Annually \$75 431.7-101(13)	NO	NO	NO	NO	NO	CLIP OR Reserve 49% gross , less claims paid AND Sec Dep no less than \$25,000 or 5% gross (Bond, cash or LOC ok) OR NW or Se of \$100M	NO	\$ 481X-9		NO	NO	NO
Idaho																				
Illinois					Silent	REGISTRATION	215 ILCS.152 "Service Contracts Act" (1998)	\$1000 Initial and \$150 Annually Hereafter	NO	NO	NO	NO	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS 5% or \$25,000 Deposit OR NW/SE of \$ 100M	NO	SEE >		YES Audited 215 ILCS 152/152(c)	NO	NO

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Indiana	Only plumbing contractors need to be licensed in Indiana.					NO			NO	NO				None		NO				
Iowa					NO but listing period OK 523C.2.a	LICENSE	Ch 523C "Residential Service Contracts"	Annual 5250 June 30 523C.4	NO	NO but has RATE REVIEW authority 523.14	NO	None free Also NO Fin Inst inducement 523C.17	NO	Bond or Cash deposit \$100,000 Min NW \$40,000 if 1000 or less Contracts;\$20K increase for each add\$500 contracts up to \$400,000; 523C.6	NO	Yes Annually with Financials and # of contracts and income		YES Audited upon init App and Bond 523C.3(c) also RENEWAL 523C.4 Allows GAAP Prep	NO	NO
Kansas	With the exception of asbestos abatement and water well drilling, Kansas doesn't license construction contractors at the state level.																			
Kentucky (like WI, if comply, not ins.)	Plumbing, electrical and HVAC contractors must be licensed in Kentucky.				Silent	REGISTRATION	By Regulation; 806 KAR 5:060 "Service Contracts" (1996)	Annually March 1. Am? "	NO Exempt/"N OT Insurance" IF Co.	NO	NO	NO	YES (Mainly by Reg)	\$100M NW or CLIP OR Perf Bond \$50 K or 25% of "revenues"	NO	Only annual reg and if claiming \$100M NW		NO	NO	NO
Louisiana	To do construction work in Louisiana you need to be licensed by the State Licensing Board for Contractors. Mechanical contractors include HVAC and Plumbing.				Silent	REGISTRATION w SDS (2015)	WISCA Home Model 180C.1 "Home Service Contracts" (2010)	Every 2 years 5600 RS 22.821	NO 180C.2(c) and 180C.3(H)	NO	NO	NO	NO	2016 Effective Bond only	NO		File Annual Stmt with SOS	Old DOI law repealed	NO	NO
Maine																				
Maryland																				
Massachusetts					Silent	REGISTRATION	Ch 175 S 149M (2011) "Home service Contracts"	\$600 Initial and every 3 years after	NO	NO	NO	NO	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS 5% of \$25,000 Deposit OR NW/SE of \$ 25M	NO		None	NO	NO	NO
Michigan																				
Minnesota					Silent	REGISTRATION	Ch 59B.01 "Service Contracts" (2006)	Annually \$750	NO	NO	NO	NO	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS \$25,000 Deposit OR NW/SE of \$ 100M	NO Subd.6	NO	None	NO	NO	NO
Mississippi	Mississippi only regulates construction contractors. Specialty contractors are not required to be licensed by the state.																			
Missouri	The state of Missouri doesn't license construction contractors.																			
Montana																				
Nebraska																				
New Hampshire					Silent	REGISTRATION	Ch 415-C "Consumer Guaranty Contracts" (2005)	Annually \$300 Init; Renewal \$150 Cite 400-A:29.VIII(a,h)	NO	NO	NO	NO	NO	Min Bond \$25,000 or 5% of all contracts up to \$250,000 max AND Reserve of 40% Gross less claims paid; OR NW/SE WITH PARENT of \$25M	NO		Only if rely on \$25M NW/SE and must be audited proof	NO	NO	NO
New Jersey					Silent	NO AG but NO Registration	SB 854 (July 2014)	NONE	NO	NO	NO	NO	NO	CLIP OR Reserve of 40% Gross less claims pd. OR WITH PARENT NW/SE of \$ 100M	NO	NO	None	NO	NO	NO
New Mexico	A license is required for all construction contractors. A license is also required for all Electrical, Plumbing, and Mechanical contractors for Residential and Commercial work.				Silent	REGISTRATION	MRS 59A-5B-1 Service Contract Regulation" (2002)	Annually from initial date \$500	NO	NO	NO	NO	NO	\$50-100,000 Deposit (Bond, Sec. Cash or LOC)	NO Cite: 59A-5B-7	NO	None	NO	NO	NO
Nevada	C-21 license applies for both AC and standard heating. However the C-1a license is required for those wishing to work on Boilers				Silent	REGISTRATION	NRS 690C Service Contracts (2003)	Annual \$1000 plus \$25 off each type of contract filed from filer	NO 690C.100(2)	NO	NO	NO	YES NAC 690C.110	CLIP OR Reserve of 40% Gross less claims PLUS Sec \$25,000 or 10% of unearned gross OR WITH PARENT NW/SE of \$ 100M	NO 690C.110	NO	NO	NO but Be aware of NAC and 24 hr rule and 3 day status report	NO	NO
New York					Silent	REGISTRATION	Art 7901 "Service Contracts" (1997)	\$250 7907(b) Every odd yr \$500 renewal	NO	NO	NO	NO	YES NYCRR 390	CLIP OR Reserve of 40% Gross less claims paid AND Sec Dep 5% gross less claims pd (Bond, Sec, cash or LOC) OR W/Parent NW/SE of \$100M	NO 7903.(d)	NO	NO	YES NYCRR 390.10(3) IF USVE RESERVE or HQ in another State 390.10(d)	NO	NO

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North Carolina	Electrical, plumbing, heating and fire sprinkler contractors must be licensed				Silent	NO	"Service Agreements" Ch 43 66-373	NA	NO	NO	NO	NO	NO	CLIP OR \$ 100M NW & 10 year seasoning OR Reserve of 40% Gross less claims	NO	NO	NO	NO	NO	NO
North Dakota																				
Ohio	The Ohio Construction Industry Licensing Board (OCILB) Issues State Licenses to Commercial Contractors for the following trades: Electrical, HVAC, Hydronics, Plumbing, and Refrigeration. They do not license Residential Contractors nor do they license General Contractors.																			
Oklahoma *	Oklahoma doesn't license residential construction contractors, except in the electrical, mechanical and plumbing trades.					REGISTRATION	36-6750 "Home Service Contracts" (2011)	Tri-Annual \$1250 PLUS \$2250 Fraud fee	NO	NO	NO	NO	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS Sec Dep 5% but not less than \$25,000 OR With Parent NW/SE of \$ 25M	NO	NO	NO	NO	NO	NO
Oregon	Provider must register under unique new law. New 2015 issue must list registration number on materials—exact requirements being negotiated by NYSCA				Silent	NO OR Contractor BD Ltd Reg	ORS 701.046	Every other year \$ 325	NO	NO	NO	NO	NO	Bond \$10,000 AND Liability Ins \$ 100,000	NO	NO	NO	NO	NO	NO
Pennsylvania																				
Rhode Island																				
South Carolina	To do residential building over \$200 and commercial building over \$5,000 in South Carolina you must be licensed. Specialty contractors such as HVAC, Plumbing, and Electrical require a license for any more over \$200.					REGISTRATION	NCRS 38-78-10	Annually \$200	NO	NO	NO	38-78-30 (I)	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS 5% not less than \$25,000 Deposit OR WITH PARENT NW/SE of \$ 100M	NO	38-78-30 (H)	NO	NO	NO	NO
South Dakota																				
Tennessee	You must have a license to do construction work in Tennessee. State license required for Electrical, Plumbing, and HVAC only if cost is \$25,000 or more, or if required by local County.					NONE	56-2-126 (2012) Not Insurance													
Texas	Only specialty contractors, including HVAC, fire sprinkler systems, plumbing, electricians and well drilling/pump installation specialists, need to be licensed in Texas. Appliance Installer license required for installation of appliances only. Air Conditioning Contractors must be LICENSED and each of their technicians must be REGISTERED Use of a licensed Contractor but an unregistered technician can result in a \$5000.00 fine					LICENSE by TREC	TRE 1303.001 "Residential Service Contract" (1979)	\$3500 Initl App Onping 1303.107 but must file annual reports @ \$3500 ea and updates \$ 250 ea. SEE TAC 530.231	NO 1303.003	YES Has prior approval of rates 1303.253	Must be Employee of OR Lic Real Estate Agent 1303.101	YES 1303.304 but like RESPA may pay for adm or processing fee	YES TAC 22-23 539	Reserve calculation on liability x 50%. See calc at 1303.152 PLUS Security Bond \$25,000 and recalc after first year up to \$100,000 See: 1303.53/154	NO	YES 1303.202 and Rule 591.91 (b) by Feb 1and SEE >		YES AUDITED w/annual report SEE Rule 539.91(b) by April 1	YES Mid year and annual	NO
Utah	To do construction work in Utah you need a license from the Division of Occupational and Professional Licensing. HVAC Contractors, Electricians and Plumbers have to be licensed. HVAC Contractors must have the regular Contractors license with the \$350 HVAC Qualifier.					REGISTRATION & Filing Contracts 30 day file and use	Ch 31A-6a-103(2)(a)	Annual See >	NO	YES Ch 31A-6a-103	NO	NO	YES R590-166	CLIP 31A-6a-103 But see Regs 590-166-4 OPTION \$10,000 each 500 contracts up to \$100,000 OR see (C) Bond or LOC \$50-100,000.	NO	YES SEE >		YES CPA reviewed GAAP ok w/in 90 days close fiscal yer Rule 590-166	NO	NO
Vermont						REGISTRATION	VRS Sect 4248	Annually \$600	NO	NO	NO	NO	NO	\$25,000 Bond or Dep AMD Reserves 40% gross less claims pd OR CLIP OR NW With Parent \$50M	NO	103.3a	NO	NO	NO	NO
Virginia (Sim to CA) until Jan 1, 2018	Trade licenses are required for electrical, plumbing, and HVAC.					LICENSE NOTE: Change to VDA4C3 Jan 1, 2018	VRS 38.2-2617 (2006) "Home Service Contract"	\$1000 and every 2 years 38.2-2619	NO Speclt in 2617 defintion	Formerly YES 38.2-2608. No longer after jan 1, 2018	NO If Lic under 2617 et seq	NO	NO	Sec Deposit 5% or 25-250,000 2619 (D3) PLUS 2629(E) CLIP OR Reserves 40% less claims pd OR \$ 100M NW	YES 2.25% 38.2 2629 H	YES SEE >	Net worth not less than 20% of gross contracts in force, not less than \$100,000 2691(D3). Exempts TOTALLY if s	YES, GAAP OK, Audited Annually by June 1 38.2-2607 also 38-2-2622	NO	NO
Washington	Electricians and Plumbers must be licensed.					REGISTRATION	RCW 48-110 (1999) "Service Contracts and Product Guarantees"	Init \$250 Annual 48.110.030	NO	NO	NO	48-110.033	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS Sec Dep 5% but not less than \$25,000 (Bond, Sec Cash) OR With Parent NW/SE of \$ 100M SEE 48.110.050	NO	YES w \$20 48.110.040 by March 1		Initial App 2 yr audited: 48.110.030 Under 040 Cmsr may require more	NO	NO
West Virginia						NONE	33-4-2 (2000)													
Wisconsin (like KY, if comply, not ins.)						LICENSE	WRS 616.01 unless already under INS 15.01	Annual	Not f Register	NO	NO	NO	NO	YES Ins 15.01 (Option)				YES Audited by March 31 INS 15.01(13)		
Wyoming						REGISTRATION	WRS 26-49-101 "Service Contracts" (1999)	Annually \$200	NO	NO	NO	NO	NO	CLIP OR Reserve of 40% Gross less claims paid PLUS Sec Dep 5% but not less than \$25,000 (Bond, Sec Cash) OR With Parent NW/SE of \$ 100M SEE 26-49-103	NO	no	State "requests" balance sheet and income statement at renewal	NO	NO	NO