

GARY D. JOSEPHSON #5299
Assistant Attorney General
SEAN D. REYES #7969
Attorney General
Attorneys for Utah Ins. Dept.
PO Box 140874
Salt Lake City, UT 84114
Telephone: 801-366-0375
Email: gjosephson@agutah.gov

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

<p>UTAH INSURANCE DEPARTMENT,</p> <p style="text-align: right;">Complainant,</p> <p>v.</p> <p>LANDMARK HOME WARRANTY, LLC P.O. Box 570 Riverton, UT 84065-0570 Company ID 14390</p> <p style="text-align: right;">Respondent.</p>	<p>STIPULATION AND ORDER</p> <p>Docket No. 2017-090 PC Enf. Case No. 3939</p> <p>Lisa Watts Baskin, J.D. Administrative Law Judge</p>
---	--

STIPULATION

The Utah Insurance Department ("Department"), by and through its legal counsel, and Landmark Home Warranty, LLC ("Respondent"), by and through its authorized representative, hereby stipulate and agree as follows:

1. Respondent is an active insurer with the license types of home warranty. Respondent's business address is PO Box 50, Riverton, UT 84065-0570. Respondent's company ID is 14390.
2. The Department has jurisdiction over the parties and subject matter of this administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code Section 63G-4-201; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code Section 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

4. Respondent is aware of its right to be represented by legal counsel in this matter, and has either sought the advice of legal counsel or has waived the right to do so.

5. This signed Stipulation and the signed Order, along with any Findings of Fact and Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

6. The Findings of Fact and Conclusions of Law presented below are accepted by the parties.

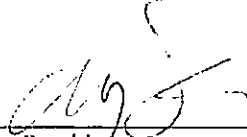
7. The issuance of the signed and adopted Order proposed below is solely for the purpose of disposing of the specific matter entitled herein.

8. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

9. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.


10. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

Dated this 13 day of OCTOBER, 2017



Chris Smith, President
LANDMARK HOME WARRANTY, LLC

Dated this 16th day of October, 2017



Gary D. Josephson, Assistant Attorney General
UTAH INSURANCE DEPARTMENT

Based upon the foregoing Stipulation and Department file, the Administrative Law Judge makes the following Findings of Fact:

FINDINGS OF FACT

1. Based on two complaints received by the Department, an investigation was undertaken concerning Respondent.
2. The Department's investigation found that the first complainant had originally purchased a home warranty from Respondent in November 2014. The complainant renewed his contract yearly and, in conjunction with the 2016 renewal, was verbally informed by Respondent that the current policy was the same as past policies. The complainant never received a confirmation email with a copy of the new policy.
3. The complainant subsequently experienced some problems with his boiler and contacted Respondent to have his boiler repaired. Respondent denied the claim based on the 2016 contract boiler exclusion. Upon being notified by the Department of the filed complaint, Respondent reversed its boiler claim denial and paid for the boiler repairs.
4. The Department's investigation found that in July 2016, the second complainant had filed a refrigerator repair claim with Respondent. After several attempts to repair the refrigerator, Respondent determined that it was not repairable and on September 20, 2016, Respondent made the determination and notification to the claimant that a cash in lieu claim payment would be issued to the complainant.

5. On February 21, 2017, after the Department contacted Respondent regarding the complaint, Respondent issued a cash in lieu claim payment to the complainant.

6. The Department's investigation also found that, on March 28, 2016, Respondent filed a new home warranty contract, with contract term changes, with the Department. When Respondent experienced computer malfunctions in 2016 and 2017, Respondent failed to notify 2,344 customers of the contract terms changes.

7. The Department and Respondent have agreed to an administrative forfeiture in the amount of \$15,000.00.

Based upon the foregoing Stipulation and Findings of Fact, the Administrative Law Judge enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Section 31A-21-303 requires insurers to notify policyholders of any new policy terms at least 30 days prior to the expiration date of the prior policy. Respondent violated this provision when it failed to timely notify 2,344 policy holders of the policy term changes.

2. Utah Code Section 31A-26-303 establishes unfair claim settlement practices, including failing to acknowledge and act promptly upon insurance claim communications. Respondent violated this insurance statute when it determined on September 29, 2016 that a cash in lieu claim payment would be made to the claimant, but failed to issue the cash in lieu payment until February 21, 2017.

3. An Administrative forfeiture in the amount of \$15,000.00 is appropriate under the circumstances of this case.


Based on the foregoing Findings and Fact and Conclusions of Law, the Administrative Law Judge enters the following Order:

ORDER

1. Respondent is hereby ordered to pay an administrative forfeiture in the amount of \$15000.00 to the Department within thirty days of the signing date of this Order.

DATED this 18th day of October, 2017.

TODD E. KISER
Insurance Commissioner



LISA WATTS BASKIN, J.D.
Administrative Law Judge
Utah Insurance Department

NOTIFICATION TO RESPONDENT

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation. You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.