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

UTAH INSURANCE DEPARTMENT, Complainant, v. HOME SERVICE CLUB WARRANTY CORP., Respondent.	STIPULATION AND ORDER Docket No. 2018-032 PC Enf. Case No. 3984 Lisa Watts Baskin, J.D. Administrative Law Judge
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STIPULATION

The Utah Insurance Department (“Department”), by and through its legal counsel, and Home Service Club Warranty Corp. (“Respondent”), by and through its legal counsel, hereby stipulate and agree as follows:

1. The Department has jurisdiction over the parties and subject matter of this administrative action.
2. 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.
3. Respondent is represented by legal counsel in this matter.

4. 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.

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

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

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

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

9. 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 11th day of April, 2018

/s/ A. Kenneth Levine

A. Kenneth Levine, Attorney
HOME SERVICE CLUB WARRANTY CORP.

Dated this 11th day of April, 2018

/s/ Helen A. Frohlich

Helen A. Frohlich, 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. Respondent is an active non-resident insurer with the license type of home warranty. Respondent's business address is 305 Broadway, Floor 9, New York, New York 1007-1158. Respondent's Company Admissions ID is 185665.
2. On July 10, 2017, the Department received a Utah consumer complaint alleging that Respondent failed to pay an agreed upon settlement amount.
3. On or about July 11, 2017, a Department representative contacted Respondent regarding the complaint and informed respondent that it was operating in Utah without the proper licensing as required by the Department of Insurance.
4. On July 17, 2017, Respondent began the process of registering with the Department as a home warranty provider. Respondent met the criteria regarding service contract warranty providers and was issued Home Warranty Provider Certificate Number 185665.
5. Respondent issued a check to the complainant on August 14, 2017 for the settlement amount.
6. Before becoming registered with the Department, Respondent sold 75 home warranty contracts to Utah residents and collected \$31,953.00 in premiums from October 1, 2014 through July 16, 2017.
7. The Department and Respondent have agreed to an administrative forfeiture in the amount of \$17,000 and probation for a period of two years.

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 Annotated Sections 31A-6a-103 and 31A-2-202 mandate that any service contract provider must be registered with the Department, meet the appropriate criteria, and further provide that any warranty or service contract may not be sold, issued, or offered for sale without first being filed with the Department at least 30 days prior to first use. This also applies to any modification of any previously filed contracts or forms.

2. Respondent violated these provisions when it sold 75 contracts to Utah consumers without first being registered and approved by Department, and by using forms which had not been filed with and approved for use by the Department.

3. An administrative forfeiture in the amount of \$17,000.00 and probation for a period of two years is appropriate in this matter.

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

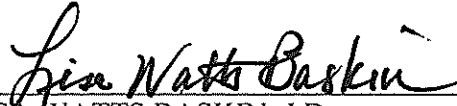
ORDER

1. Respondent is hereby ordered to pay an administrative forfeiture in the amount of \$17,000.00 to the Department to be paid in equal monthly payments over 24 months. The first payment in the amount of \$708.41 shall be made within 30 days of the date this Order is signed. Each subsequent monthly payment shall be in the amount of \$708.33.

2. Respondent is placed on probation for 24 months. The terms of probation are that each payment set forth above shall be timely made, and that Respondent shall have no further violations of the Insurance Code or Department Rules. If Respondent pays the outstanding balance before the conclusion of the 24 month period, probation will conclude upon final payment.

TODD E. KISER
Insurance Commissioner

*Signed this 13th
day of April, 2018.*



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.