

HELEN A. FROHLICH #8814
Assistant Utah Attorney General
SEAN D. REYES #7969
Utah Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
hfrohlich@agutah.gov

BEFORE THE UTAH INSURANCE COMMISSIONER

<p>UTAH INSURANCE DEPARTMENT, Complainant, vs. SELECT HOME WARRANTY, LLC, Respondent.</p>	<p>FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER</p> <p>Docket No. 2019-4087</p> <p>Donald H. Hansen Administrative Law Judge/Presiding Officer</p>
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Complainant, Utah Insurance Department ("Department") and Respondent, Select Home Warranty, LLC, ("Respondent") have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based upon that stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

FINDINGS OF FACT

1. Respondent is a home warranty provider. Since January 6, 2017, Respondent has been authorized to conduct business in the State of Utah under Service Contract Provider Certificate No. 183712.
2. Respondent's mailing address is Select Home Warranty, LLC, 1 International

Blvd., STE 400, Mahwah, New Jersey 07495-0025.

3. Respondent filed a modified home warranty contract form with the Department on July 6, 2017, which became filed for use on August 6, 2017, pursuant to Utah Code § 31A-6a-103(2)(d).

4. On August 24, 2017, Docket #2017-070PC was entered against Respondent because Respondent had sold 340 home warranty contracts to Utah residents prior to filing forms and applying for a certificate to sell home warranties.

5. Respondent was assessed an administrative forfeiture of \$34,000.00 and placed on probation for 24 months. One half (\$17,000.00) of the administrative forfeiture was stayed as long as Respondent was fully compliant with all State insurance laws and rules during the probationary period.

6. On April 11, 2018, the Department began investigating a consumer complaint regarding Respondent.

7. The Department reviewed the home warranty contract forms that originated with the complaint. The Department discovered the home warranty contract form was not the home warranty contract form on file with the Department as of August 6, 2017. The home warranty contract form being issued by the Respondent was subsequently filed and approved without modification by the Department.

8. On October 18, 2019, the Department requested a random sample of 148 actual home warranty contracts issued to Utah residents from the Respondent. Respondent was only able to provide 40 of the 148 actual home warranty contracts. Of those 40 home warranty contracts, none were issued using the home warranty contract form that was filed for use on

August 6, 2017. The home warranty contract form being issued by the Respondent was subsequently filed and approved without notification by the Department.

9. The Department and Respondent have agreed to an administrative forfeiture of \$35,800.00.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner (“Commissioner”) has jurisdiction over the parties and this adjudicative proceeding pursuant to Utah Code §§ 31A-1-105 and 31A-2-201.

2. The Commissioner has legal authority to impose penalties on the Department's licensees who violate the Utah Insurance Code pursuant to Utah Code § 31A-2-308.

3. Utah Code § 31A-6a-103(2)(d) prohibits a warrantor from using a modified warranty contract until 30 days after it has been filed with this state.

4. Respondent violated Utah Code § 31A-6a-103(2)(d) which states “A service provider or warrantor shall file any modification of the terms of a service contract, 30 days before the day on which it is used in this state.” Respondent filed a modified form on July 6, 2017, which became filed for use on August 6, 2017. Respondent provided 40 contracts to the Department, none of which match the contract on file as of August 6, 2017. The home warranty contract form being issued by the Respondent was subsequently filed and approved without modification by the Department.

5. Utah Code § 31A-6a-106(1)(c) requires service contract providers to “retain all records pertaining to each service contract holder for at least three years after the specified period of coverage has expired.” Respondent violated this provision when it was unable to provide the Department with the actual contracts for 108 contract holders.

6. Respondent agrees to pay a forfeiture of \$35,800.00, which includes the \$17,000.00 that was stayed in Docket #2017-070PC.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that:

1. Respondent shall pay a forfeiture of \$35,800.00. for the violations described in the Conclusions of Law.

2. Respondent is ordered not to commit the violations described in the Conclusions of Law in the future.

DATED this 8th day of July, 2021.

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen
DONALD H. HANSEN
Administrative Law Judge/Presiding Officer
Utah Insurance Department
4315 South 2700 West, Suite 2300
Taylorsville, UT 84129
801-957-9321
Email: uidadmincases@utah.gov

NOTICE TO RESPONDENT

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$2,500 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to

renew, or revocation. Failure to obey this Order may also result in an action taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding in those jurisdictions.

CERTIFICATE OF SERVICE

The undersigned certifies that on this date a true and correct copy of the foregoing

Findings of Fact, Conclusions of Law and Order was emailed to:

Jesse D. Wilson, Matthew R. Wagner
Frost Brown Todd

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Helen A. Frohlich
Assistant Attorney General

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DATED this 8th day of July, 2021.

/s/ Jeanine Couser
Jeanine Couser
Utah Insurance Department
4315 South 2700 West, Suite 2300
Taylorsville, UT 84129
801-957-9321