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**BEFORE THE UTAH INSURANCE COMMISSIONER**

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<p>UTAH INSURANCE DEPARTMENT,  Complainant,  vs.  SPHWUT, INC., dba SERVICE PLUS HOME WARRANTY,  Respondent.</p>	<p style="text-align: center;">FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER</p> <p>Docket No. 2023-4504</p> <p>Donald H. Hansen Administrative Law Judge/Presiding Officer</p>
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Complainant, Utah Insurance Department ("Department") and Respondent, SPHWUT, Inc. dba Service Plus Home Warranty ("Respondent"), have stipulated to the 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 Service Contract Provider, domiciled in New York, and doing business in Utah.

2. Respondent's mailing address is [REDACTED].

3. Pursuant to Utah Code §31A-6a-103(2)(a) and (b), a service contract or vehicle protection product warranty may not be issued, sold or offered for sale unless the service contract provider or warrantor completes the registration process with the Department, submits a copy of any service contract or vehicle protection product warranty that the service contract provider or warrantor offers in this state, and submits a copy of the service contract provider's or warrantor's reimbursement insurance policy.

4. The Respondent was the subject of a consumer complaint submitted to the Department's Property and Casualty Division regarding a claim denial. During the investigation, the Department learned that the Respondent had issued, sold, and offered for sale home warranty contracts in Utah without being registered with the Department. It was also determined that Respondent failed to register as a service contract provider, failed to file its contracts and did not have the required reimbursement mechanism in place.

5. On March 27, 2023, the Respondent reported it had sold 147 home warranty contracts in Utah beginning on August 3, 2017, resulting in Respondent making a \$970.66 profit.

6. In response to the Department's investigation and findings, the Respondent subsequently filed an application for registration, as well as its contracts, and its reimbursement mechanism, bringing Respondent into compliance on July 12, 2022.

7. The Department and Respondent have agreed to an administrative forfeiture of \$37,720.68, and Respondent being placed on probation for a period of twenty-four (24) months to ensure continued compliance with regulatory requirements.

### **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 under Utah Code § 31A-6a-109.
3. Respondent violated Utah Code §31A-6a-103(2)(a), when it issued, sold, and offered for sale home warranty contracts in Utah without being registered with the Department.
4. Respondent violated Utah Code §31A-6a-103(2)(b), when it failed to file its contracts with the Department and did not have the required reimbursement mechanism in place.
5. As a penalty for the violations in this case, Respondent should be ordered to pay a forfeiture of \$37,720.68 and ordered to be placed on probation for a period of twenty-four (24) months to ensure continued compliance with regulatory requirements.

### **ORDER**

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

1. Respondent shall pay a forfeiture of \$37,720.68 for the violations described in the Conclusions of Law. Payment in full is due within thirty days of this order.
2. Respondent is placed on probation for a period of twenty-four (24) months to ensure continued compliance with regulatory requirements.
3. Respondent shall promptly comply with all requests for information from the Utah Insurance Department.

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

DATED this 27<sup>th</sup> day of April 2023.

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](mailto:uidadmincases@utah.gov)

### **NOTICE TO RESPONDENT**

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$5,000 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 being 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:

SPHWUT, Inc. dba Service Plus Home Warranty.  
Attention: David Seruya

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Shelley A. Coudreaut  
Assistant Attorney General  
[sacoudreaut@agutah.gov](mailto:sacoudreaut@agutah.gov)

DATED this 27<sup>th</sup> day of April 2023.

*/s/ Jeanine Couser* \_\_\_\_\_  
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