

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED
MAR 04 2013
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, *ex rel.*)
JOHN DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
SENSIBLE HOME WARRANTY LLC,)
a licensed service warranty association,)
10014288)
)
Respondent.)

Case No. 13-0051-DIS

FINAL ADMINISTRATIVE ORDER

COMES NOW the State of Oklahoma, *ex rel.* John Doak, by and through his undersigned attorney, and alleges and states as follows:

JURISDICTION

1. John Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Service Warranty Act, 15 O.S. §§ 141.1 et seq.
2. Respondent is a licensed service warranty association in the State of Oklahoma holding license number 862766. Respondent is domiciled in the state of Nevada and has a statutory home office address of 1344 Disc Drive, Suite 221, Sparks, Nevada 89436.
3. The Insurance Commissioner, pursuant to the provisions of 15 O.S. § 141.14(B), may levy a fine of up to One Hundred Dollars (\$100.00) a day for each day an association neglects to file the annual statement in the form and within the time provided by the Service Warranty Act.
4. The Insurance Commissioner, pursuant to the provisions of 15 O.S. § 141.9, may

revoke or suspend the license of any service warranty association if it is determined that the association has violated any lawful rule or order of the Commissioner or any provision of the Service Warranty Act

5. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to that effect in his order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2) and 314.1; 36 O.S. § 6610(C); OAC 365:1-7-9(a).

6. If the Respondent requests a hearing in this matter, the Insurance Commissioner, pursuant to 36 O.S. § 319, will appoint an independent hearing examiner who shall sit as a quasi-judicial officer and who may preside over the hearing requested by the Respondent.

FINDINGS OF FACT

1. Respondent is a licensed service warranty association in the State of Oklahoma holding license number 862766. Respondent is domiciled in the state of Nevada and has a statutory home office address of 1344 Disc Drive, Suite 221, Sparks, Nevada 89436.

2. Respondent failed to file its 2012 Service Warranty Annual Financial Statement due on or before May 1, 2012, pursuant to the provisions of 15 O.S. § 141.14, and has failed to do so as of the date of this filing.

3. Respondent failed to file its 1st, 2nd, and 3rd quarterly statements pursuant to 15 O.S. § 141.14(C) and has failed to submit the corresponding quarterly administrative fees due on or before April 20, 2012, July 31, 2012 and October 31, 2012, pursuant to 15 O.S. § 141.14(D), and has failed to do so as of the date of this filing.

4. Respondent failed to file its 2012 Service Warranty License renewal application and \$400.00 license renewal fee due on or before November 1, 2012 and has failed to do so as of

the date of this filing.

5. The Insurance Commissioner hereby finds that there is clear and convincing evidence that Respondent failed to file its 2012 financial statement on or before May 1, 2012; failed to file its 1st, 2nd and 3rd quarterly statements due in 2012 and failed to pay any corresponding administrative fees; failed to renew its annual license on or before November 1, 2012; and that Respondent's conduct not only violates the respective provisions of the Service Warranty Act but also prohibits the Commissioner from determining Respondent's solvency and compliance with the reserve account requirements and other financial provisions of 15 O.S. §141.6.

6. The Commissioner further finds that Respondent's failure to file its annual statement; failure to file its quarterly statements and corresponding administrative fees and failure to renew its license in Oklahoma are business practices that pose an imminent threat to the welfare of the residents of this state.

CONCLUSIONS OF LAW

1. Respondent failed to file its 2012 financial statement in violation of 15 O.S. § 141.14 thereby prohibiting the Commissioner from confirming that the solvency requirements and the reserve and financial requirements set forth in 15 O.S. § 141.6 have been met.

2. Respondent has violated the provisions of 15 O.S. § 141.14 by failing to file quarterly statements for the first, second and third quarters of 2012 and by failing to remit any required administrative fees.

3. Respondent has violated 15 O.S. § 141.4 by failing to renew its license and pay the corresponding licensure fee and is acting as a service warranty association in the state of Oklahoma without licensure.

4. Respondent has violated 15 O.S. § 141.5 by failing to furnish the Insurance Commissioner with evidence satisfactory that the management of the association is competent and trustworthy and can successfully manage the affairs of the association in compliance with the law.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the **Emergency Order of Suspension Instante**r entered in this matter on January 30, 2013 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondent's license is hereby **REVOKED**. Pursuant to 15 O.S. § 141.12, Respondent is **FINED IN THE AMOUNT OF FIVE THOUSAND DOLLARS (\$5,000.00)** for failing to comply with the Service Warranty Act, payable within thirty (30) days of receipt of this Order.

IT IS FURTHER ORDERED that Respondent shall continue to pay any and all valid claims on active Oklahoma contracts and report all disputed claims to the Oklahoma Insurance Department to the attention of Assistant General Counsel Julie Meaders, providing in detail the reasons for denial of any and all portions of the claim.

IT IS FURTHER ORDERED that Respondent immediately cease selling new contracts, renewing or extending current contracts in the State of Oklahoma.

IT IS FURTHER ORDERED that Respondent is ineligible to receive any premium either on current contracts or renewal of existing contracts.

WITNESS My Hand and Official Seal this 4th day of March, 2013.





PAUL WILKENING
FIRST DEPUTY COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Final Administrative Order was mailed by certified mail with postage prepaid and return receipt requested on this 4th day of March, 2013, to:

Sensible Home Warranty LLC
Elliot Dabah – CFO
1344 Disc Drive, Suite 221
Sparks, Nevada 89436

CERTIFIED MAIL NO: 7001 0320 0003 9967 0289

And a copy delivered to:

Joel Sander/ Lauren Bouse
Financial Division



Julie Meaders
Assistant General Counsel