

**BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA**

**FILED**

FEB 07 2014

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, *ex rel.* )  
JOHN D. DOAK, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
CHOICE HOME WARRANTY, )  
An unlicensed service warranty association, )  
 )  
Respondent. )

Case No. 14-0108-DIS

**CONDITIONAL ADMINISTRATIVE ORDER  
AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, ex rel., John D. Doak, Insurance Commissioner,  
by and through counsel, and alleges and states as follows:

**JURISDICTION**

1. John D. 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 Service Warranty Act; 15 O.S. §§ 141.1 et seq.

2. Choice Home Warranty ("Respondent") is an unlicensed service warranty company who has solicited and sold service warranty contracts in the State of Oklahoma.

3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 15 O.S. § 141.12.

**ALLEGATIONS OF FACT**

1. The Insurance Commissioner issued an Emergency Cease and Desist Order in Case No. 10-0954-UNI against Respondent on July 29, 2010, pursuant to a finding that

Respondent was unauthorized to engage in the business of offering, providing, servicing and entering into service warranty contracts in Oklahoma.

2. Respondent continued engaging in the business of offering, providing, servicing and entering into service warranty contracts in Oklahoma and was fined on July 15, 2011, in the amount of \$25,000.00 for violating the Cease and Desist Order in Case No. 11-0712-DIS. (Exhibit "A"). The Insurance Commissioner and Respondent thereafter settled the matter by entering into a Consent Order whereby Respondent paid a \$15,000.00 fine and agreed to continue to pay all valid claims and refunds that arise pursuant to service warranty contract it had issued in Oklahoma. (Exhibit "B").

3. Respondent still does not hold a license or registration in the State of Oklahoma and is not authorized by the Oklahoma Insurance Department to engage in the service warranty business in Oklahoma other than to pay all valid claims and refunds that arise pursuant to service warranty contracts it has issued in Oklahoma. Respondent continues to engage in a course of unfair and deceptive conduct while circumventing regulatory authority.

4. Respondent previously entered into a service warranty agreement, contract #919157764, with Oklahoma homeowner Clifford Lussier for coverage located at 13444 Prairie View Lane in Oklahoma City, Oklahoma 73142, the type of agreement covered by the Service Warranty Act. That user agreement was transferred upon sale of the home to Kent Johnson. Choice Home Warranty's address on the Transfer Form is 510 Thornall Street, Edison, New Jersey 08837. (Exhibit "C").

5. Kent Johnson made a claim with Respondent on July 9, 2013, after his air conditioner unit quit working. Respondent denied his claim for failure to maintain the unit properly without even sending a technician to make an inspection of such. Johnson complained

to Respondent on July 13, 2013, and provided a bill for the repairs he paid of \$5,587.00; a short note from his technician stating there was no indication of improper maintenance; and an email from the previous owner stating that the unit was serviced by a technician of Respondent on August 22, 2010, and all recommended owner maintenance procedures were completed. (Exhibit “D”).

6. When Respondent failed to respond to Johnson, he hired counsel John Garland who sent Respondent a letter dated September 10, 2013, stating that Respondent failed to mediate in good faith and made demand for the sum due. Respondent failed to respond to Garland’s letter.

7. Garland also complained to the Oklahoma Insurance Department on the same date and provided the letters previously sent to Respondent. (Exhibit “F”). Jason Johnston, Senior Claims Process Reviewer in the Consumer Assistance Division, then sent a letter to Respondent on October 9, 2013, requesting Respondent to respond with a written explanation regarding Respondent’s position in the matter. (Exhibit “G”).

8. A representative of Respondent named Tracy called Johnston on December 12, 2013, and left a message stating they received the letter but that it was sent to Respondent’s old address. Johnston returned a message requesting an updated address and a response to his letter.

9. Respondent has failed to call, failed to send a new address, and failed to respond to the homeowner’s complaint as of this date.

### **CONCLUSIONS OF LAW**

1. No person shall engage in this state in any trade practice which is defined as an unfair method of competition and unfair or deceptive acts as defined in 15 O.S. § 141.26. 15 O.S. § 141.25.

2. Respondent violated 15 O.S. § 141.26 by failing to investigate Johnson's claim; by failing to acknowledge and act promptly upon communication with respect to the claim; by denying Johnson's claim without conducting reasonable investigation based upon available information; failing to promptly provide a reasonable explanation to Johnson in relation to the facts or applicable law for the denial of the claim. 15 O.S. § 141.26(5).

3. If it is found that a service warranty association has knowingly and willfully violated a lawful rule or order of the Commissioner or any provision of the Service Warranty Act, the Commissioner may impose a fine in an amount not to exceed Ten Thousand Dollars (10,000.00) for each violation. 15 O.S. § 141.12.

### **ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner, subject to the following paragraphs, that the Respondent has willfully violated the Consent Order dated January 2, 2012, by failing to pay all valid claims and refunds that arise pursuant to service warranty agreements in Oklahoma. **IT IS FURTHER ORDERED** that Respondent has knowingly and willfully violated provisions of the Service Warranty Act; failed to update its address with Oklahoma consumers and the Insurance Commissioner; and failed to respond to the Oklahoma Insurance Commissioner and, as a result, Respondent is fined in the amount of **TEN THOUSAND DOLLARS (\$10,000.00)**.

**IT IS THEREFORE ORDERED** that Respondent shall provide a response to the inquiry and pay the fine within thirty (30) days of the date of this Order.


**IT IS FURTHER ORDERED** that unless Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first

day following the date of mailing of this Order. Such request for a hearing, if desired, shall be made in writing, addressed to Julie Meaders, Assistant General Counsel, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Street, Suite 100, Oklahoma City, Oklahoma 73112 and must be served on the Oklahoma Insurance Department within the thirty (30) days allotted. The proceedings on any such requested hearing will be conducted in accordance with the Service Warranty Act 15 O.S. §§ 141.1 et seq. and the Oklahoma Administrative Procedures Act 75 O.S. §250 et seq.

**WITNESS** My Hand and Official Seal this 7<sup>th</sup> day of January, 2014.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

  
\_\_\_\_\_  
Julie Meaders  
Deputy General Counsel  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma 73112  
(405) 521-2746

**CERTIFICATE OF MAILING**

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Conditional Order and Notice of Right to be Heard was mailed by certified mail with postage prepaid and return receipt requested on this 7<sup>th</sup> day of February, 2014 to:

Choice Home Warranty  
1090 King Georges Post Road  
Edison, NJ 08837

**CERTIFIED MAIL NO: 7001 0320 0004 4249 5289**

And a copy delivered to:

Jason Johnston/Consumer Assistance Division

Lauren Bouse /Financial Division

  
Julie Meaders

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 4249 5289

OFFICIAL USE

Postage \$  
Certified Fee  
Return Receipt Fee  
(Endorsement Required)  
Restricted Delivery Fee  
(Endorsement Required)  
Total Postage & Fees \$



Sent To  
Street, Apt. No.,  
or PO Box No.  
City, State, ZIP+4

Choice Home Warranty  
1090 King Georges Post Road  
Edison, NJ 08837  
rlg/14-0108-DIS/Cond. Adm. Ord.

PS Form 3800, January 2001

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Choice Home Warranty  
1090 King Georges Post Road  
Edison, NJ 08837  
rlg/14-0108-DIS/Cond. Adm. Ord.

2. Article Number  
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent  
☒ Addressee  
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
☒ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

RECEIVED  
OKLAHOMA INSURANCE DEPARTMENT

FEB 19 2014

Legal Division

7001 0320 0004 4249 5289

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA**

STATE OF OKLAHOMA, ex rel. JOHN D.  
DOAK, Insurance Commissioner,

Petitioner,

vs.

CHOICE HOME WARRANTY,  
an Unlicensed Home Warranty Company,

Respondent.

CASE NO. 11-0712-DIS

**FILED**

JUL 15 2011

INSURANCE COMMISSIONER  
OKLAHOMA

**CONDITIONAL ADMINISTRATIVE ORDER  
AND NOTICE OF RIGHT TO BE HEARD**

THE STATE OF OKLAHOMA, ex rel., John D. Doak, Insurance Commissioner, by and  
through counsel FINDS AND ORDERS AS FOLLOWS:

**JURISDICTION**

1. The Insurance Commissioner has jurisdiction of this cause, pursuant to the provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including and in particular Title 36 O.S. § 6604, which covers the requirements for licensure and transactions subject to the Service Warranty Insurance Act.

2. Respondent, Choice Home Warranty, is an unlicensed service warranty company soliciting and selling service warranty contracts in the State of Oklahoma.

3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. §§ 6610 and 6613.





### **FACTS LEADING TO ADMINISTRATIVE ORDER**

1. The Insurance Commissioner issued to Respondent an Emergency Cease and Desist Order on July 29, 2010, (Exhibit 1), pursuant to finding that Respondent was unauthorized to engage in the business of offering, providing, servicing, and entering service warranty agreements, service warranty contracts, indemnity agreements or indemnity contracts, and in violation of Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 *et seq.*; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 *et seq.*; and the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.*

2. Respondent does not hold any license, certificate of authority, or other authorization from the Oklahoma Insurance Department to engage in the business of offering, providing, servicing, and entering service warranty agreements, service warranty contracts, indemnity agreements or indemnity contracts.

3. Respondent has not begun the licensing procedures set forth in the Service Warranty Act and continues to provide and offer to provide service warranty agreements, service warranty contracts, indemnity agreements, indemnity contracts and/or home service agreements illegally and in violation of 36 O.S. §§ 6103.3 and 6601 *et seq.*

4. Respondent entered into a Home Warranty Agreement, contract #387395833, of the type covered by the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.* with Cynthia Northington, a citizen of Oklahoma, with an effective starting date of March 12th 2011. (Exhibit 2)

5. Respondent has engaged in a course of conduct designed to circumvent and avoid regulatory oversight by the Commissioner, in violation of 36 O.S. §§ 6103.1 and 6601 *et seq.*

### **CONCLUSION**

Respondent has willfully violated Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 *et seq.*; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 *et seq.*; and the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.* after receiving a lawful Emergency Cease and Desist Order prohibiting the same.

### **ORDER**

**IT IS THEREFORE ORDERED** that Choice Home Warranty is fined in the amount of Twenty-Five Thousand Dollars (\$25,000.00). The fine is to be submitted to the Oklahoma Insurance Department within thirty (30) days of the date of receipt of this Order.

**IT IS FURTHER ORDERED** Respondent shall leave all records undisturbed in its offices until such time as an appropriate examination of such records can be completed by representatives of the Oklahoma Insurance Department or other examiners appointed by or cooperating with the Commissioner.

**IT IS FURTHER ORDERED** that notwithstanding any of the above orders to the contrary, Respondent shall pay all valid claims and refunds that arise pursuant to service warranty agreements and/or contracts in Oklahoma.

**IT IS FURTHER ORDERED** that this Order is effective immediately and shall continue in full force and effect until further Order of the Commissioner. This Order is binding on Respondent, its agents, affiliates, employees, and/or other representatives, both current and successor, whether named or unnamed herein.

Respondent is further notified that THIS FINE REFLECTS ONLY ONE INSTANCE OF

VIOLATION of the Emergency Cease and Desist Order, and that any future violations will also be assessed and fined by the Insurance Commissioner.

Respondent is further notified that it may request a hearing within 30 days of the receipt of this Order concerning this action, and upon such request the Insurance Department shall conduct a hearing before an independent hearing examiner. A request for hearing shall be made in writing to Mark A. Willingham, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Suite 100, Oklahoma City, Oklahoma 73112 and state the basis for requesting the hearing.

If Respondent does not request a hearing within the 30 days allotted this Order shall be a **FINAL ORDER** on the 31<sup>st</sup> day following the receipt of the Order.

WITNESS My Hand and Official Seal this 14<sup>th</sup> day of July, 2011.



PAUL WILKENING  
DEPUTY COMMISSIONER OF ADMINISTRATION  
STATE OF OKLAHOMA

And

Mark A. Willingham, OBA #22769  
Assistant General Counsel  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma, 73112  
(405) 521-3998  
**ATTORNEY FOR PETITIONER**  
**STATE OF OKLAHOMA, ex rel.**  
**JOHN DOAK, INSURANCE COMMISSIONER**

### CERTIFICATE OF SERVICE

This is to certify that on the date of filing, I, Mark A. Willingham, mailed a true and correct copy of the foregoing **Conditional Administrative Order and Notice of Right to Be Heard** by **certified mail**, return receipt requested, postage prepaid, on this 15<sup>th</sup> day of July, 2011 to:

Choice Home Warranty  
510 Thornall Street  
Edison, NJ 08837

and

Choice Home Warranty  
244 Madison Avenue  
New York, NY 10016

A handwritten signature in black ink, appearing to read 'Mark A. Willingham', is written over a horizontal line.

Mark A. Willingham



7008 1830 0003 9410 9830

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Pk	

**MARTIN LUTHER KING  
STATION**  
 JUL 18 2011  
 Postmark Here

Sent To  
 Street, A  
 or PO Box  
 City, Sta

Choice Home Warranty  
 510 Thornall St  
 Edison, NJ 08837  
 sms/11-0712-DIS/Cond. Ord

Ps Form 3800 August 2006

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  X </p> <p><input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery  7/18/11</p> <p>D. Is delivery address different from item 1?  If YES, enter delivery address below: <input type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>OKLAHOMA INSURANCE DEPARTMENT  Choice Home Warranty  510 Thornall St  Edison, NJ 08837 Legal Division  sms/11-0712-DIS/Cond. Ord</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number  (Transfer from service label)</p>	<p>7008 1830 0003 9410 9830</p>
PS Form 3811, February 2004	Domestic Return Receipt 102585-02-M-1540

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**

STATE OF OKLAHOMA, ex rel.  
KIM HOLLAND, Insurance  
Commissioner,

Petitioner,

v.

CHOICE HOME WARRANTY  
an unlicensed service warranty  
company

Respondent.

JUL 29 2010

INSURANCE COMMISSIONER  
OKLAHOMA

Case No. 10-0954-UNI

EMERGENCY CEASE AND DESIST ORDER

On this 29<sup>th</sup> day of July 2010, the Oklahoma Insurance Department ("Petitioner") through Kim M. Rytter, Assistant General Counsel, presented to the undersigned Insurance Commissioner, Kim Holland, an Application for Emergency Cease and Desist Order. The Commissioner, having examined the Application of the Petitioner, finds that the Commissioner of Insurance has jurisdiction over this matter pursuant to the Insurance Code generally, 36 O.S. §§ 101 *et seq.*, and specifically pursuant to Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 *et seq.*; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 *et seq.*; and the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.* The Commissioner further finds that the factual allegations are supported by clear and convincing evidence and, therefore, FINDS AND ORDERS AS FOLLOWS:

1. Choice Home Warranty ("Respondent") has been involved in the unauthorized business of offering, providing, servicing, and entering service warranty

EXHIBIT

1

agreements, service warranty contracts, indemnity agreements, indemnity contracts, and/or home service agreements in violation of 36 O.S. § 6604(A).

2. Respondent does not hold any license, certificate of authority, or other authorization from the Oklahoma Insurance Department to engage in the business of offering, providing, servicing, and entering service warranty agreements, service warranty contracts, indemnity agreements or indemnity contracts.

3. Respondent has engaged in a course of conduct designed to circumvent and avoid regulatory oversight by the Commissioner, in violation of 36 O.S. §§ 6103.1 and 6601 *et seq.*

4. Respondent has not begun the licensing procedures set forth in the Service Warranty Act and continues to provide and offer to provide service warranty agreements, service warranty contracts, indemnity agreements, indemnity contracts and/or home service agreements in violation of 36 O.S. §§ 6103.3 and 6601 *et seq.* and will continue to offer, provide, service, and enter service warranty agreements, service warranty contracts, indemnity agreements, indemnity contracts, and/or home service agreements unless immediately ordered to cease and desist from these acts.

5. The Insurance Commissioner, having examined the attached Application, finds that Respondent is unauthorized to engage in the business of offering, providing, servicing, and entering service warranty agreements, service warranty contracts, indemnity agreements or indemnity contracts, and in violation of Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 *et seq.*; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 *et seq.*; and the Service Warranty Insurance



Act, 36 O.S. §§ 6601 *et seq.* and should be immediately stopped and enjoined from conducting any further insurance or service warranty business in the State of Oklahoma.

**IT IS THEREFORE ORDERED**, that Respondent and their unlicensed agents, affiliates, employees, and/or other representatives, both current and successor whether named herein, shall **CEASE AND DESIST** from all activities related to doing insurance business and/or service warranties in this state, including:

1. The making of or proposing to make, as a sales representative, warrantor or warranty seller, any service warranty agreement, any service warranty contract, any indemnity agreement, any indemnity contract, or any home warranty agreement in the State of Oklahoma;
2. The taking or receiving of any application for any service warranty agreement, any service warranty contract, any indemnity agreement, any indemnity contract or home warranty agreement in the State of Oklahoma;
3. The issuance or delivery of service warranty contracts, indemnity agreements, indemnity contracts or home warranty agreement to residents of the State of Oklahoma or to persons authorized to do business in the State of Oklahoma;
4. Contracting to provide indemnification or expense reimbursement in the State of Oklahoma to persons domiciled in the State of Oklahoma or for risks and/or personal and real property located in the State of Oklahoma, whether as a sales representative, warrantor, warranty seller, or an insurer, agent, administrator, trust, funding mechanism, or by any other method;
5. The doing of any kind of service warranty insurance business specifically recognized as constituting the doing of a service warranty insurance business within the



meaning of the statutes relating to service warranty insurance in the State of Oklahoma pursuant to the Oklahoma Service Warranty Act 36 O.S. §§ 6601 *et seq.*, and any other applicable Oklahoma statutes;

6. The doing or proposing to do any service warranty business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the Oklahoma Service Warranty Act, 36 O.S. §§ 6601 *et seq.*, or any other applicable Oklahoma statutes; and

7. Any other transactions of business in this state by a sales representative, warrantor, warranty seller, or insurer.

**IT IS FURTHER ORDERED** Respondent shall leave all records undisturbed in its offices until such time as an appropriate examination of such records can be completed by representatives of the Oklahoma Insurance Department or other examiners appointed by or cooperating with the Commissioner.

**IT IS FURTHER ORDERED** that notwithstanding any of the above orders to the contrary, Respondent shall pay all valid claims and refunds that arise pursuant to service warranty agreements and/or contracts in Oklahoma.

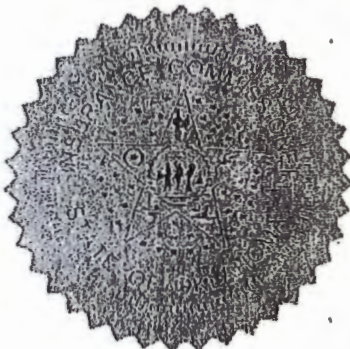
**IT IS FURTHER ORDERED** that this Order is effective immediately and shall continue in full force and effect until further Order of the Commissioner. This Order is binding on Respondent, its agents, affiliates, employees, and/or other representatives, both current and successor, whether named or unnamed herein.


Pursuant to 36 O.S. § 6103.6(B), any person affected by this Order who seeks to contest it, has the right to request a hearing before the Insurance Commissioner, or his duly appointed representative, to show cause why this Order should not be affirmed. The

person affected must make the request not later than the 30<sup>th</sup> day after the date on which the person receives this Order. The request must be in writing directed to the Insurance Commissioner and must state the grounds for the request to set aside or modify the Order. Pending hearing this Order shall continue in full force and effect unless stayed by the Insurance Commissioner. Any such hearing shall be conducted according to the procedures for contested cases under the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250-323.

**IN THE EVENT THIS ORDER IS VIOLATED, THE COMMISSIONER MAY IMPOSE A CIVIL PENALTY OF \$25,000.00 FOR EACH ACT OF VIOLATION, OR DIRECT THE RESPONDENT AGAINST WHOM THE ORDER IS ISSUED TO MAKE COMPLETE RESTITUTION, IN THE FORM AND AMOUNT AND WITHIN THE PERIOD DETERMINED BY THE COMMISSIONER, TO ALL OKLAHOMA RESIDENTS, OKLAHOMA INSURERS, AND ENTITIES OPERATING IN OKLAHOMA DAMAGED BY THE VIOLATION OR FAILURE TO COMPLY, OR IMPOSE BOTH THE PENALTY AND DIRECT RESTITUTION.**

WITNESS My Hand and Official Seal this 29<sup>th</sup> day of July, 2010.



  
KIM HOLLAND  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

**CERTIFICATE OF MAILING**


This is to certify that on the date of filing, I, Kim M. Rytter, mailed a true and correct copy of the foregoing **Emergency Cease and Desist Order** by certified mail, return receipt requested, postage prepaid, on this 29<sup>th</sup> day of July, 2010 to:

Choice Home Warranty  
510 Thornall Street  
Edison, NJ 08837

CERTIFIED NO: 7001 0320 0004 0178 5116

Choice Home Warranty  
244 Madison Avenue  
New York, NY, 10016

CERTIFIED NO: 7001 0320 0004 0178 5109

  
\_\_\_\_\_  
Kim M. Rytter

**SENDER: COMPLETE THIS SECTION**

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Choice Home Warranty  
 510 Thornall Street  
 Edison, NJ 08837

2. Article Number

(Transfer from service label)

7001 0320 0004 0178 5116

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

RECEIVED

C. Date of Delivery

8/6/10

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

AUG 06 2010

Legal Division

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



# YOUR HOME SERVICE AGREEMENT

Oklahoma Insurance Department  
**RECEIVED**



CHOICE JUN 03 2011 WARRANTY

Consumer Assistance Division

**America's Choice**  
in Home Warranty Protection

Cynthia Northington  
11700 Grande Mesa Ter  
Oklahoma City, OK 73162

Case# 200017864

Dear Cynthia Northington,

Welcome to Choice Home Warranty! You made a wise decision when you chose to protect your home with a CHW Warranty. We appreciate your business and look forward to providing you with quality service for all your home protection needs.

To obtain the most value from your new CHW Warranty, please take a moment to read and understand your coverage. Your coverage is dependant on the plan you have selected.

Should you have a problem with any of your covered systems or appliances, please call us toll-free at (888)-531-5403. We are available 24 hours a day, 7 days a week, 365 days a year, or simply log on to our website located at [www.ChoiceHomeWarranty.com](http://www.ChoiceHomeWarranty.com) and file your claim online.

THIS CONTRACT EXPLAINS THE COVERAGE, LIMITATIONS, & EXCLUSIONS. PLEASE REVIEW YOUR CONTRACT.

Contract Number: 387395833

Contract Term: 03/12/2011 - 09/12/2014

Covered Property:

11700 Grande Mesa Ter

Oklahoma City, OK 73162

Property Type: Single Family

Rate: \$1020.00

Service Call Fee: \$45.00

Coverage Plan: Total Plan

Includes: Clothes Dryer, Clothes Washer, Refrigerator, Air Conditioning System, Heating System, Water Heater, Electrical System, Plumbing System, Plumbing Stoppage, Built-In Microwave, Oven/Range, Stove, Cooktop, Dishwasher, Garbage Disposal, Ceiling & Exhaust Fans, Ductwork, Garage Door Opener, Whirlpool Bathtub  
Optional Coverage: None

EXHIBIT


2

CHOICE HOME WARRANTY

510 Thornall Street | Edison, NJ 08837 | Toll Free: (888) 531-5403



**Refer-A-Friend**

**CHOICE**   
Home Warranty

**CHOICE HOME WARRANTY**

**Get more without paying for more!  
Refer-A-Friend to Choice Home Warranty!**

Thank you once again for choosing Choice Home Warranty. CHW home warranties are the most comprehensive, flexible and value-priced on the market. We do everything we can to help you get back on track - that's the difference.

Being a part of the Choice Home Warranty family has its rewards - like getting free service just for spreading the word to your friends and family. In fact, every time you refer a friend who joins Choice Home Warranty, you'll get 1 MONTH of FREE service. Best of all, there is no limit to how many FREE months of service you can earn! Simply have your friends or family members mention your name and covered property address at the time of purchase and receive 1 FREE month of service. It's that easy!


To learn more about the CHW Refer-A-Friend Program, please contact Choice Home Warranty at 1-888-531-5403.

We genuinely appreciate your patronage, and we are fully committed to serving your home warranty needs.

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**America's Choice**  
in Home Warranty Protection

---

  
**YOU**  
Refer Your  
Friend to CHW




  
**FRIEND**  
Your Friend  
Purchases a Home  
Warranty from CHW



  
**CHW**  
CHW Gives YOU  
1 Month  
of FREE Service



  
**YOU**  
You Can Keep  
Earning by  
Referring

**CHOICE HOME WARRANTY**  
510 Thornall Street • Edison, NJ 08837 • Toll Free: (888) 531-5403



## CHOICE HOME WARRANTY

### America's Choice In Home Warranty Protection

#### I. COVERAGE

During the coverage period, CHW's sole responsibility will be to arrange for a qualified service contractor ("Service Provider") to repair or replace, at CHW's expense (up to the limits set forth below), the systems and components mentioned as "Included" in accordance with the terms and conditions of this contract so long as such systems and components:

A. Are located inside the confines of the main foundation of the home or attached or detached garage (with the exception of the exterior pool/spa, well pump, septic tank pumping and air conditioner); and  
B. Become inoperative due to normal wear and tear; and  
C. Are in place and in proper working order on the effective date of this home warranty contract. This contract does not cover any known or unknown pre-existing conditions. It is understood that CHW IS NOT A SERVICE PROVIDER and is not itself undertaking to repair or replace any such systems or components. This contract covers single-family homes (including manufactured homes), new construction homes, condominiums, townhomes, and mobile homes under 5,000 square feet, unless an alternative dwelling type (i.e. above 5,000 square feet or multi-unit home) is applied, and appropriate fee is paid. Coverage is for occupied, owned or rented residential property, not commercial property or residences used as businesses, including, but not limited to, day care centers, fraternity/sorority houses, and nursing/care homes. This contract describes the basic coverage and options available. Coverage is subject to limitations and conditions specified in this contract. Please read your contract carefully. NOTE: This is not a contract of insurance, residential service, warranty, extended warranty, or implied warranty.

#### II. COVERAGE PERIOD

Coverage starts 30 days after acceptance of application by CHW and receipt of applicable contract fees and continues for 365 days from that date. Your coverage may begin before 30 days if CHW receives proof of prior coverage, showing no lapse of coverage, through another carrier within 15 days of the order date.

#### III. SERVICE CALLS - TO REQUEST SERVICE: 1-888-531-5403

A. You or your agent (including tenant) must notify CHW for work to be performed under this contract as soon as the problem is discovered. CHW will accept service calls 24 hours a day, 7 days a week, 365 days a year at 1-888-531-5403. Notice of any malfunction must be given to CHW prior to expiration of this contract.

B. Upon request for service, CHW will contact an authorized Service Provider within two (2) days during normal business hours and four (4) days on weekends and holidays. The authorized Service Provider will contact You to schedule a mutually convenient appointment during normal business hours. CHW will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If You should request CHW to perform non-emergency service outside of normal business hours, You will be responsible for payment of additional fees and/or overtime charges.

C. CHW has the sole and absolute right to select the Service Provider to perform the service; and CHW will not reimburse for services performed without its prior approval.

D. You will pay a trade service call fee ("Service Fee") per claim (amount shown on page one) or the actual cost, whichever is less. The Service Fee is for each visit by a CHW approved Service Provider, except as noted in this Section III (E), and is payable to the CHW approved Service Provider at the time of each visit. The service fee applies to each call dispatched and scheduled, including but not limited to those calls wherein coverage is included, excluded, or denied. The service fee also applies in the event You fail to be present at a scheduled time, or in the event You cancel a service call at the time a service contractor is in route to your home or at your home. Failure to pay the Service Fee will result in suspension or cancellation of coverage until such time as the proper Service Fee is paid. At that time, coverage may be reinstated; however, the contract period will not be extended.

E. If service work performed under this contract should fail, then CHW will make the necessary repairs without an additional trade service call fee for a period of 90 days on parts and 30 days on labor.

#### IV. COVERAGE (COVERAGE DEPENDANT ON PLAN)

The Coverage is for no more than one unit, system, or appliance, unless additional fees are paid. If no additional fees are paid, covered unit, system, or appliance is at the sole discretion of CHW; certain limitations of liability apply to Covered systems and appliances.

##### 1. CLOTHES DRYER

INCLUDED: All components and parts, except:

EXCLUDED: Noise - Venting - Lint screens - Knobs and dials - Doors - Door seals - Hinges - Glass - Leveling and balancing - Damage to clothing.

##### 2. CLOTHES WASHER

INCLUDED: All components and parts, except:

EXCLUDED: Noise - Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Door seals - Hinges - Glass - Leveling and balancing - Damage to clothing.

##### 3. KITCHEN REFRIGERATOR

NOTE: Must be located in the kitchen.

INCLUDED: All components and parts, including integral freezer unit, except:

EXCLUDED: Racks - Shelves - Lighting and handles - Freezer - Ice makers, ice crushers, beverage dispensers and their respective equipment - Water lines and valve to ice maker - Line restrictions - Leaks of any kind - Interior thermal shells - Freezers which are not an integral part of the refrigerator - Wine coolers or mini refrigerators - Food spoilage - Doors - Door seals and gaskets - Hinges - Glass - Audio/Visual equipment and Internet connection components.

##### 4. AIR CONDITIONING/COOLER

NOTE: Not exceeding 5 (five) ton capacity and designed for residential use.

INCLUDED: Ducted electric central air conditioning, ducted electric wall air conditioning. All components and parts, for units below 13 SEER and when CHW is unable to facilitate repair/replacement of failed covered equipment at the current SEER rating, repair/replacement will be performed with 13 SEER equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: Gas air conditioning systems - Condenser casings - Registers and Grills - Filters - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Improperly sized units - Chillers - All exterior condensing, cooling and pump pads - Roof mounts, jacks, stands or supports - Condensate pumps - Commercial grade equipment - Cost for crane rentals - Air conditioning with mismatched condensing unit and evaporative coil per manufacturer specifications - Improper use of metering devices - Thermal expansion valves - Refrigerant conversion - Leak detections - Water leaks - Drain line stoppages - Maintenance - Noise. No more than two systems covered unless purchased separately at time of enrollment. CHW is not responsible for the costs associated with matching dimensions, brand or color made. CHW will not pay for any modifications necessitated by the repair of existing equipment or the installation of new equipment.

##### 5. HEATING SYSTEM OR BUILT-IN WALL UNIT

NOTE: Main source of heat to home not to exceed 5 (five) ton capacity and designed for residential use.

INCLUDED: All components and parts necessary for the operation of the heating system. For units below 13 SEER and when CHW is unable to facilitate repair/replacement of failed covered equipment at the current SEER rating, repair/replacement will be performed with 13 SEER equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping, components for geothermal and/or water source heat pumps, redrilling of wells for geothermal and/or water source heat pumps, and well pump and well pump components for geothermal and/or water source heat pumps. Access - Radiators or valves - Baseboard casings - Radiant heating - Dampers - Valves - Fuel storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters - Line dryers and filters - Oil filters, nozzles, or strainers - Registers - Backflow preventers - Evaporator coil pan - Primary or secondary drain pans - Grills - Clocks - Timers - Add-ons for zoned systems - Heat lamps - Humidifiers - Flues and vents - Improperly sized heating systems - Mismatched systems - Chimneys - Pellet stoves - Cable heat (in ceiling) - Wood stoves (even if only source of heating) - Calcium build-up - Maintenance.



## 6. WATER HEATER (Gas and/or Electric)

**INCLUDED:** All components and parts, including circulating pumps, except:  
**EXCLUDED:** Access - Insulation blankets - Pressure reducing valve - Sediment build-up - Rust and corrosion - Main, Holding or storage tanks - Vents and flues - Thermal expansion tanks - Low boy and/or Squat water heaters - Solar water heaters - Solar components - Fuel, holding or storage tanks - Noise - Energy management systems - Commercial grade equipment and units exceeding 75 gallons - Drain pans and drain lines - Tankless water heaters.

## 7. ELECTRICAL SYSTEM

**INCLUDED:** All components and parts, including built-in bathroom exhaust fans, except:

**EXCLUDED:** Fixtures - Carbon monoxide alarms, smoke detectors, detectors or related systems - Intercoms and door bell systems associated with intercoms - Inadequate wiring capacity - Solar power systems and panels - Solar Components - Energy Management Systems - Direct current (D.C.) wiring or components - Attic exhaust fans - Commercial grade equipment - Auxiliary or sub-panels - Broken and/or severed wires - Rerunning of new wiring for broken wires - Wire tracing - Garage door openers - Central vacuum systems - Damages due to power failure or surge - Circuit Overload.

## 8. PLUMBING SYSTEM/STOPPAGE

**INCLUDED:** Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots - Toilet tanks, bowls and mechanisms (replaced with builder's grade as necessary), toilet wax ring seals - Valves for shower, tub, and diverter angle stops, rinses and gate valves - Permanently installed interior sump pumps - Built-in bathtub whirlpool motor and pump assemblies - Stoppages/Clogs in drain and sewer lines up to 100 feet from access point. Mainline stoppages are only covered if there is an accessible ground level clean out, except:

**EXCLUDED:** Stoppages and clogs in drain and sewer lines that can not be cleared by cable or due to roots, collapsed, broken, or damaged lines outside the confines of the main foundation (even if within 100 feet of access point) - Access to drain or sewer lines from vent or removal of water closets - Cost to locate, access or install ground level clean out - Slab leaks - Polybutylene or Quest piping - Galvanized drain lines - Hose Bibs - Drum traps - Flange - Collapse of or damage to water, drain, gas, waste or vent lines caused by freezing, settlement and/or roots - Faucets, fixtures, cartridges, shower heads & shower arms - Baskets and strainers - Pop up assemblies - Bathtubs and showers - Cracked porcelain - Glass - Shower enclosures and base pans - Roman tubs - Bath tub drain mechanisms - Sinks - Toilet lids and seats - Cabling or grouting - Whirlpool jets - Whirlpool control panel - Septic tanks - Sewage ejector pumps - Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits - Holding or storage tanks - Saunas and/or steam rooms. **NOTE:** CHW will provide access to plumbing systems through unobstructed walls, ceilings or floors, only, and will return the access opening to rough finish condition. CHW shall not be responsible for payment of the cost to remove and replace any built-in appliances, cabinets, floor coverings or other obstructions impeding access to walls, ceilings, and/or floors.

## 9. BUILT-IN MICROWAVE

**INCLUDED:** All components and parts, except:

**EXCLUDED:** Hinges - Handles - Doors - Door glass - Lights - Interior linings - Trays - Clocks - Shelves - Portable or counter top units - Arcing - Meat probe assemblies - Rotisseries.

## 10. OVEN/RANGE/STOVE/COOKTOP (Gas or Electric; Built-In, Portable or Free Standing)

**INCLUDED:** All components and parts, except:

**EXCLUDED:** Clocks (unless they affect the cooking function of the unit) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs - Door seals - Doors - Hinges - Lighting and handles - Glass - Sensi-heat burners will only be replaced with standard burners.

## 11. DISHWASHER

**INCLUDED:** All components and parts, except:

**EXCLUDED:** Racks - Baskets - Rollers - Hinges - Handles - Doors - Door gaskets - Glass - Damage caused by broken glass - Cleaning.

## 12. GARBAGE DISPOSAL

**INCLUDED:** All components and parts, including entire unit, except:

**EXCLUDED:** Problems and/or jams caused by bones, glass, or foreign objects other than food.

## 13. CEILING AND EXHAUST FANS

**INCLUDED:** Motors - Switches - Controls - Bearings, except:

**EXCLUDED:** Fans - Blades - Belts - Shutters - Filters - Lighting. **Note:** Builder's standard is used when replacement is necessary.

## 14. DUCTWORK

**INCLUDED:** Duct from heating unit to point of attachment at registers or grills, except:

**EXCLUDED:** Registers and grills - Insulation - Asbestos-insulated ductwork - Vents, flues and breaching - Ductwork exposed to outside elements - Improperly sized ductwork - Separation due to settlement and/or lack of support - Damper motors - Diagnostic testing of, or locating leaks to ductwork, including but not limited to, as required by any federal, state or local law, ordinance or regulation, or when required due to the installation or replacement of system equipment. CHW will provide access to ductwork through unobstructed walls, ceilings or floors, only, and will return the access opening to rough finish condition. CHW's authorized Service Provider will close the access opening and return to a rough finish condition. CHW shall not be responsible for payment of the cost to remove and replace any built-in appliances, cabinets, floor coverings or other obstructions impeding access to walls, ceilings, and/or floors.

## 15. GARAGE DOOR OPENER

**INCLUDED:** All components and parts, except:

**EXCLUDED:** Garage doors - Hinges - Springs - Sensors - Chains - Travelers - Tracks - Rollers - Remote receiving and/or transmitting devices.

## 16. CHW GREEN

**INCLUDED:** If a covered system or appliance (limited to Clothes Washer, Clothes Dryer, Refrigerator, Dishwasher, Heating System, and Water Heater) breaks down per Section I above and subject to all other contract inclusions, exclusions and limitations, and it can not be repaired, CHW will replace the appliance with an ENERGY STAR qualified product (subject to availability, exclusions and limitations), one with similar and like features as existing appliance, except:

**EXCLUDED:** All other contract limitations of liability and exclusions apply.

## V. OPTIONAL COVERAGE (Requires Additional Payment)

**NOTE:** You may purchase any Optional Coverage for up to 30 days after commencement of Coverage. However, Coverage shall not commence until receipt of payment by CHW and such Coverage shall expire upon expiration of Coverage period in Section II.

### 1. POOL AND/OR SPA EQUIPMENT

**INCLUDED:** Both pool and built-in spa equipment (exterior hot tub and whirlpool) are covered if they utilize common equipment. If they do not utilize common equipment, then only one or the other is covered unless an additional fee is paid. Coverage applies to above ground, accessible working components and parts of the heating, pumping and filtration system as follows: Heater - Pump - Motor - Filter - Filter timer - Gaskets - Blower - Timer - Valves, limited to back flush, actuator, check, and 2 and 3-way valves - Relays and switches - Pool sweep motor and pump - Above ground plumbing pipes and wiring, except:

**EXCLUDED:** Portable or above ground pools/spas - Control panels and electronic boards - Lights - Liners - Maintenance - Structural defects - Solar equipment - Jets - Ornamental fountains, waterfalls and their pumping systems - Pool cover and related equipment - Fill line and fill valve - Built-in or detachable cleaning equipment such as, but not limited to, pool sweeps, pop up heads - Turbo valves, skimmers, chlorinators, and ionizers - Fuel storage tanks - Disposable filtration mediums - Cracked or corroded filter casings - Grids - Cartridges - Heat pump - Salt water systems.

### 2. SEPTIC TANK PUMPING

**INCLUDED:** Main line stoppages/clogs (one time only, and must have existing access or clean out). If a stoppage is due to a septic tank back up, then we will pump the septic tank one time during the term of the plan. Coverage can only become effective if a septic certification was completed within 90 days prior to close of sale. CHW reserves the right to request a copy of the certification prior to service dispatch.

**EXCLUDED:** The cost of gaining or finding access to the septic tank and the cost of sewer hook ups - Disposal of waste - Chemical treatments - Tanks - Leach lines - Cess pools - Mechanical pumps/systems.

### 3. WELL PUMP

**INCLUDED:** All components and parts of well pump utilized for main dwelling only, except:

**EXCLUDED:** Holding or storage tanks - Digging - Locating pump - Pump retrieval - Redrilling of wells - Well casings - Pressure tanks - Pressure switches and gauges - Check valve - Relief valve - Drop pipe - Piping or



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electrical lines leading to or connecting pressure tank and main dwelling including wiring from control box to the pump - Booster pumps - Well pump and well pump components for geothermal and/or water source heat pumps.

## 4. SUMP PUMP

**INCLUDED:** Permanently installed sump pump for ground water, within the foundation of the home or attached garage, except:

**EXCLUDED:** Sewerage ejector pumps - Portable pumps - Backflow preventers - Check valves - Piping modifications for new installs.

## 5. CENTRAL VACUUM

**INCLUDED:** All mechanical system components and parts, except:

**EXCLUDED:** Ductwork - Hoses - Blockages - Accessories.

## 6. LIMITED ROOF LEAK (Single Family Homes Only)

**INCLUDED:** Repair of shake, shingle, and composition roof leaks over the occupied living area.

**EXCLUDED:** Porches - Patios - Cracked and/or missing material - Foam roofs - Tar and gravel or metal roof - Cemwood shakes - Masonite shingles - Flat or built-up roof - Structural leaks adjacent to or caused by appendages of any kind - Downspouts - Flashing - Gutters - Skylights - Decks - Patio covers - Solar equipment - Roof jacks - Antennae - Satellite components - Chimneys - Partial roof replacement - Preventative maintenance.

**NOTE:** If roof must be partially or completely replaced to effect repair, this coverage does not apply.

## 7. STAND ALONE FREEZER

**INCLUDED:** All parts and components that affect the operation of the unit, except:

**EXCLUDED:** Ice-makers, crushers, dispensers and related equipment - Internal shell - Racks - Shelves - Glass displays - Lights - Knobs and caps - Dials - Doors - Door seals and gaskets - Door hinges - Door handles - Glass - Condensation pans - Clogged drains and clogged lines - Grates - Food spoilage - Freon - Disposal and recapture of Freon.

## 8. SECOND REFRIGERATOR

**INCLUDED:** All components and parts, including integral freezer unit, except:

**EXCLUDED:** Racks - Shelves - Lighting and handles - Freon - Ice makers, ice crushers, beverage dispensers and their respective equipment - Water lines and valve to ice maker - Line restrictions - Leaks of any kind - Interior thermal shells - Freezers which are not an integral part of the refrigerator - Food spoilage - Doors - Door seals and gaskets - Hinges - Glass - Audio/Visual equipment and internet connection components.

## 9. SEPTIC SYSTEM

**INCLUDED:** Sewage ejector pump - Jet pump - Aerobic pump - Septic tank and line from house.

**EXCLUDED:** Leach lines - Field lines - Lateral lines - Tile fields and leach beds - Insufficient capacity - Clean out - Pumping.

## VI. LIMITATIONS OF LIABILITY

1. The following are not included during the contract term; (i) malfunction or improper operation due to rust or corrosion of all systems and appliances, (ii) collapsed ductwork, (iii) known or unknown pre-existing conditions.

2. CHW is not responsible for providing access to or closing access from any covered item which is concrete-encased or otherwise obstructed or inaccessible.

3. At times it is necessary to open walls or ceilings to make repairs. The Service Provider obtained by CHW will close the opening, and return to a rough finish condition. CHW is not responsible for restoration of any wall coverings, floor coverings, plaster, cabinets, counter tops, tiling, paint, or the like.

4. CHW is not responsible for the repair of any cosmetic defects or performance of routine maintenance.

5. Electronic or computerized energy management or lighting and appliance management systems, solar systems and equipment are not included.

6. You may be charged an additional fee by the Service Provider to dispose of an old appliance, system or component, including, but not limited to the following items: condensing units, evaporator coils, compressors, capacitors, refrigerators, freezers, water heaters, and any system or appliance which contains dangerous or hazardous materials.

7. CHW is not liable for service involving hazardous or toxic materials including but not limited to mold, lead paint, or asbestos, nor costs or expenses associated with refrigerant recovery, recycling, reclaiming or disposal. CHW is not liable for any failure to obtain timely service due to conditions beyond its control, including, but not limited to, labor difficulties or delays in obtaining parts or equipment.

8. CHW is not liable for repair of conditions caused by chemical or sedimentary build up, rust or corrosion, mildew, mold, misuse or abuse, failure to clean or maintain as specified by the equipment manufacturer, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightening, mud, earthquake, soil movement, soil settlement, settling of home, storms, accidents, pest damage, acts of God, or failure due to excessive or inadequate water pressure.

9. CHW has the sole right to determine whether a covered system or appliance will be repaired or replaced. CHW is responsible for installing replacement equipment of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. CHW is not responsible for upgrades, components, parts, or equipment required due to the incompatibility of the existing equipment with the replacement system or appliance or component or part thereof or with new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. If parts are no longer available, CHW will offer a cash payment in the amount of the average cost between parts and labor of the covered repair. CHW reserves the right to locate parts at any time. For the first 30 days of the contract period, CHW is not liable for replacement of entire systems or appliances due to obsolete, discontinued or unavailability of one or more integral parts. However, CHW will provide reimbursement for the costs of these parts determined by reasonable allowance for the fair value of like parts. CHW reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

10. CHW is not liable for repairs related to costs of construction, carpentry or other incidental costs associated with alterations or modifications of appliances, components or installation of different equipment and/or systems. Except as required to maintain compatibility with equipment manufactured to be 13 SEER and/or 7.7 HSPF or higher compliant, CHW is not responsible for providing upgrades, components, parts or equipment required due to the incompatibility of the existing equipment with the replacement system, appliance or component/part, including but not limited to efficiency as mandated by federal, state or local governments.

11. CHW is not responsible for repairs related to inadequacy, lack of capacity, improper installation, mismatched systems, oversized systems, undersized systems, previous repair or design, manufacturer's defect, and any modification to the system or appliance.

12. CHW is not liable for normal or routine maintenance. CHW will not pay for repairs or failures that result from the Contract holder's failure to perform normal or routine maintenance. For example, You are responsible for providing maintenance and cleaning pursuant to manufacturers' specifications, such as periodic cleaning of heating and air conditioning systems, evaporator coils and condenser coils, as well as periodic filter replacement.

13. CHW is not liable for the repair or replacement of commercial grade equipment, systems or appliances (such as, but not limited to, brand names such as Sub Zero, Viking, Wolf, Bosch, Jenn-Air, GE Monogram, Thermador, and etc.).

14. CHW reserves the right to obtain a second opinion at its expense.

15. CHW is not responsible for any repair, replacement, installation, or modification of any covered system or appliance arising from a manufacturer's recall or defect of said covered items, nor any covered item while still under an existing manufacturer's, distributor's, or in-home warranty.

16. CHW reserves the right to offer cash back in lieu of repair or replacement in the amount of CHW's actual cost (which at times may be less than retail) to repair or replace any covered system, component or appliance.

17. CHW is not responsible for the repair or replacement of any system or appliance or component or part thereof that has been previously, or is subsequently, determined to be defective by the Consumer Product Safety Commission or the manufacturer and for which either has issued, or issues, a warning or recall, or which is otherwise necessitated due to failure caused by the manufacturer's improper design, use of improper materials, formula, manufacturing process or other manufacturing defect.

18. CHW will not pay for the repairs or replacement of any covered systems or appliances if they are inoperable as a result of known or unknown pre-existing conditions, deficiencies and/or defects.

19. You agree that CHW is not liable for the negligence or other conduct of the Service Provider, nor is CHW an insurer of Service Provider's performance. You also agree that CHW is not liable for consequential,



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incidental, indirect, secondary, or punitive damages. You expressly waive the right to all such damages. Your sole remedy under this agreement is recovery of the cost of the required repair or replacement, whichever is less.

## VII. Mediation

In the event of a dispute over claims or coverage You agree to file a written claim with Choice Home Warranty and allow CHW thirty (30) calendar days to respond to the claim. The parties agree to mediate in good faith before resorting to mandatory arbitration in the State of New Jersey.

Except where prohibited, If a dispute arises from or relates to this Agreement or its breach, and if the dispute cannot be settled through direct discussions you agree that:

A. Any and all disputes, claims and causes of action arising out of or connected with this Agreement shall be resolved individually, without resort to any form of class action.

B. Any and all disputes, claims and causes of action arising out of or connected with this Agreement (including but not limited to whether a particular dispute is arbitrable hereunder) shall be resolved exclusively by the American Arbitration Association in the state of New Jersey under its Commercial Mediation Rules. Controversies or claims shall be submitted to arbitration regardless of the theory under which they arise, including without limitation contract, tort, common law, statutory, or regulatory duties or liability.

C. Any and all claims, judgments and awards shall be limited to actual out-of-pocket costs incurred to a maximum of \$1500 per claim, but in no event attorneys' fees.

D. Under no circumstances will you be permitted to obtain awards for, and you hereby waives all rights to claim, indirect, punitive, incidental and consequential damages and any other damages, other than for actual out-of-pocket expenses, and any and all rights to have damages multiplied or otherwise increased. All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement, shall be governed by, and construed in accordance with, the laws of the State of New Jersey, U.S.A. without giving effect to any choice of law or conflict of law rules (whether of the State of New Jersey or any other jurisdiction), which would cause the application of the laws of any jurisdiction other than the State of New Jersey.

## VIII. BUILDING AND ZONING CODE REQUIREMENTS OR VIOLATIONS

A. CHW will not contract for services to meet current building or zoning code requirements or to correct for code violations, nor will it contract for services when permits cannot be obtained. CHW will not pay for the cost to obtain permits.

B. Except as required to maintain compatibility with equipment manufactured to be 13 SEER and/or 7.7 HSPF or higher compliant, CHW is not responsible for upgrade or additional costs or expenses that may be required to meet current building or zoning code requirements or correct for code violations. This includes city, county, state, federal and utility regulations and upgrades required by law.

## IX. MULTIPLE UNITS AND INVESTMENT PROPERTIES

A. If the contract is for duplex, triplex, or fourplex dwelling, then every unit with in such dwelling must be covered by a CHW contract with applicable optional coverage for coverage to apply to common systems and appliances.

B. If this contract is for a unit within a multiple unit of 5 or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are excluded.

C. Except as otherwise provided in this section, common systems and appliances are excluded.

## X. TRANSFER OF CONTRACT & RENEWALS

A. If your covered property is sold during the term of this contract You must notify CHW of the change in ownership and submit the name of the new owner by phoning 1-888-531-5403 in order to transfer coverage to the new owner.

B. You may transfer this contract at any time. There is no fee to transfer contract.

C. This contract may be renewed at the option of CHW and where permitted by state law. In that event, You will be entitled to the same yearly rate as the prior year, as well as the same trade service call fee.

D. If You select the monthly payment option and CHW elects to renew your contract, CHW will notify You of applicable rate and terms of renewal during the tenth month of your contract. You will automatically be renewed for a monthly coverage period unless You notify CHW in writing 30 days prior to the expiration of the contract. Your first payment for the next contract term will be construed as authorization for month-to-month charges.

## XI. CANCELLATION

This is a maintenance agreement for repair, replacement, or partial replacement of the products listed that are deemed manufactured or sold by the manufacturer. This is not a contract of insurance, residential service, warranty, extended warranty, or implied warranty. You may cancel within the first 30 days of the order date for a refund of the paid contract fees, less a \$50 administrative fee and any service costs incurred by CHW.

This contract shall be non-cancelable by CHW except for:

1. Nonpayment of contract fees;
2. Nonpayment of Service Fee, as stated in Section III;
3. Fraud or misrepresentation of facts material by You to the issuance of this contract;
4. Mutual agreement of CHW and You. If canceled after 30 days, You shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less a \$50 administrative fee and any service costs incurred by CHW.

All cancellation requests must be submitted in writing.

Coverage Plans	Basic	Total
Clothes Dryer		<input type="checkbox"/>
Clothes Washer		<input type="checkbox"/>
Refrigerator		<input type="checkbox"/>
Air Conditioning System		<input type="checkbox"/>
Heating System	<input type="checkbox"/>	<input type="checkbox"/>
Water Heater	<input type="checkbox"/>	<input type="checkbox"/>
Electrical System	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing System	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing Stoppage	<input type="checkbox"/>	<input type="checkbox"/>
Built-In Microwave	<input type="checkbox"/>	<input type="checkbox"/>
Oven/Range/Stove	<input type="checkbox"/>	<input type="checkbox"/>
Cooktop	<input type="checkbox"/>	<input type="checkbox"/>
Dishwasher	<input type="checkbox"/>	<input type="checkbox"/>
Garbage Disposal	<input type="checkbox"/>	<input type="checkbox"/>
Ceiling & Exhaust Fans	<input type="checkbox"/>	<input type="checkbox"/>
Ductwork	<input type="checkbox"/>	<input type="checkbox"/>
Garage Door Opener	<input type="checkbox"/>	<input type="checkbox"/>
Whirlpool Bathtub	<input type="checkbox"/>	<input type="checkbox"/>

Optional Coverage: Pool/Spa, Additional Spa, Septic Tank Pumping, Septic System, Well Pump, Sump Pump, Central Vacuum, Limited Roof Leak, Standalone Freezer, Second Refrigerator.

CHOICE HOME WARRANTY

510 Thornall Street • Edison, NJ 08837 • Toll Free: (888) 531-5403



BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.  
DOAK, Insurance Commissioner,

Petitioner,

v.

CHOICE HOME WARRANTY,  
an Unlicensed Service Warranty Company,

Respondent.

CASE NO. 11-0712-DIS

**FILED**

JAN 09 2012

INSURANCE COMMISSIONER  
OKLAHOMA

CONSENT ORDER

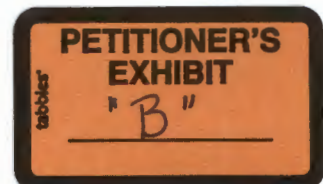
THE STATE OF OKLAHOMA, ex rel., John D. Doak, Insurance Commissioner, by and  
through counsel FINDS AND ORDERS AS FOLLOWS:

JURISDICTION

1. The Insurance Commissioner has jurisdiction of this cause, pursuant to the provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., including and in particular Title 36 O.S. § 6604, which covers the requirements for licensure and transactions subject to the Service Warranty Insurance Act.

2. Choice Home Warranty ("Respondent") is an unlicensed service warranty company who has solicited and sold service warranty contracts in the State of Oklahoma.

3. The Insurance Commissioner has jurisdiction over the subject matter raised in this dispute and may issue penalties pursuant to 36 O.S. §§ 6610 and 6613.



4. Respondent has been apprised of their rights including the right to a public hearing and has knowingly and freely waived said rights and entered into this Consent Order as a voluntary settlement of the issues and questions raised in the above captioned case.

#### **STIPULATIONS OF FACT**

1. The Insurance Commissioner issued to Respondent an Emergency Cease and Desist Order on July 29, 2010, pursuant to finding that Respondent was unauthorized to engage in the business of offering, providing, servicing, and entering service warranty agreements, service warranty contracts, indemnity agreements or indemnity contracts, and in violation of Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 *et seq.*; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 *et seq.*; and the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.*

2. Respondent does not hold any license, certificate of authority, or other authorization from the Oklahoma Insurance Department to engage in the business of offering, providing, servicing, and entering service warranty agreements, service warranty contracts, indemnity agreements or indemnity contracts.

3. Respondent entered into a Home Warranty Agreement, contract #387395833, of the type covered by the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.* with a citizen of Oklahoma, with an effective starting date of March 12th 2011.

4. Respondent was issued a Conditional Administrative Order which fined them the statutorily required amount of twenty-five thousand dollars (\$25,000) under Title 36 O.S. §6103.7.

5. Respondent has demonstrated their willingness to comply with Oklahoma law governing service warranty contracts by licensing an Oklahoma affiliate.

6. Respondent may only sell service warranty contracts through its affiliate, or other duly licensed entity.

7. Respondent may provide marketing services and any other service not requiring licensure under the Oklahoma Insurance Code.

### **CONCLUSION**

Respondent violated Article 6 of the Insurance Code (Authorization of Insurers), 36 O.S. §§ 601 *et seq.*; the Unauthorized Insurance Business Act, 36 O.S. §§ 6103.1 *et seq.*; and the Service Warranty Insurance Act, 36 O.S. §§ 6601 *et seq.* after receiving a lawful Emergency Cease and Desist Order prohibiting the same and was duly fined for the violation.

### **ORDER**

**IT IS THEREFORE ORDERED** by the Insurance Commissioner and **CONSENTED** to by Choice Home Warranty that Respondent shall pay a settlement fine in the amount of Fifteen Thousand Dollars (\$15,000.00) for the above mentioned violation of the Oklahoma Insurance Code. The fine is to be submitted to the Oklahoma Insurance Department within thirty (30) days of the date of receipt of this Order.

**IT IS FURTHER ORDERED** that notwithstanding any of the above orders to the contrary, Respondent shall pay all valid claims and refunds that arise pursuant to service warranty agreements and/or contracts in Oklahoma.

**IT IS FURTHER ORDERED** that this Order is effective immediately and shall

continue in full force and effect until further Order of the Commissioner. This Order is binding on Respondent, its agents, affiliates, employees, and/or other representatives, both current and successor, whether named or unnamed herein.

**IT IS FURTHER ORDERED** that notwithstanding anything contained herein to the contrary, any sale of service warranty agreements and/or contracts in Oklahoma by Respondent prior to the effective date of this Order, shall not be deemed to constitute a violation of any Oklahoma law governing service warranty contracts, provided Respondent provides the Insurance Department with a list of current open service warranty contracts and Respondent has/will also transfer all rights and obligations of those contracts to its licensed affiliate in a form approved by the Commissioner and Insurance Department.

Respondent is further notified that the above referenced July 29, 2010 Emergency Cease and Desist Order is still in effect.

Respondent is further notified that **THIS FINE REFLECTS A SETTLEMENT OF ONLY THE ABOVE REFERENCED VIOLATION** of the Emergency Cease and Desist Order, and that any future violations resulting from the sale of new service warranty contracts through an unlicensed entity will also be assessed and fined by the Insurance Commissioner.

Respondent is further notified that the settlement fine must be submitted within 30 days of the date of receipt of this order, otherwise, on the 31st day, this agreement becomes void and the full \$25,000 fine will be assessed against Respondent. Payment of the fine should be made by check to the Oklahoma Insurance Department and reference Case No. 11-0712-DIS in the memo line.

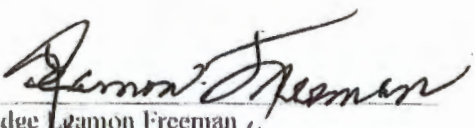
Respondent is further notified that it may request a hearing within 30 days of the receipt of this Order concerning this action, and upon such request the Insurance Department shall

conduct a hearing before an independent hearing examiner. A request for hearing shall be made in writing to Mark A. Willingham, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Suite 100, Oklahoma City, Oklahoma 73112 and state the basis for requesting the hearing.

If Respondent does not request a hearing and pays the settlement fine within the 30 days allotted, this Order shall be a **FINAL ORDER** on the 31<sup>st</sup> day following the receipt of the Order.


WITNESS My Hand and Official Seal this 29<sup>th</sup> day of December 11.



  
Judge Damon Freeman  
Hearing Examiner

  
Victor Mandalawi  
Representative of Respondent

Darren Oved, Esq.  
Attorney for Respondent

  
Mark A. Willingham, OBA No. 22769  
Attorney for Petitioner

### CERTIFICATE OF SERVICE

This is to certify that on the date of filing, I, Mark A. Willingham, mailed a true and correct copy of the foregoing Consent Order and Notice of Right to Be Heard by certified mail, return receipt requested, postage prepaid, on this 9<sup>th</sup> day of January, 2012 to:

Darren Oved, Esq.  
Attorney for Respondent  
401 Greenwich Street  
New York, New York 10013



Mark A. Willingham



**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*


7001 0320 0004 4250 5650



Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Post</b>	

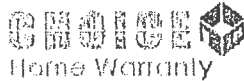
Sent To:  
 Street, Apt.  
 or PO Box /  
 City, State:  
 Darren Oved, Esq.  
 Attorney for Respondent  
 401 Greenwich St.  
 New York, NY 10013  
 sms/11-0712-DIS/Const. Ord.

PS Form 3811, February 2004 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Darren Oved, Esq.            Attorney for Respondent            401 Greenwich St.            New York, NY 10013            sms/11-0712-DIS/Const. Ord.</p>		<p>B. Received by (Printed Name)            C. Date of Delivery            JAN 10 2012</p>	
<p>2. Article Number            (Transfer from service label)            7001 0320 0004 4250 5650</p>		<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

## POLICY TRANSFER FORM

### CHOICE HOME WARRANTY



Please fax completed Transfer Form to: (732) 520-6461

Transfer From:

Policy Number: 919157764 EXP. 2/16/2014

Name: CLIFFORD LUSSIER

Coverage Address: 13444 PRAIRIE VIEW LN

City, State Zip: OKLAHOMA CITY, OK 73142

Property Type (i.e. Single Family, Townhouse): SINGLE FAMILY

Home Phone: 405-722-3507 Work Phone: \_\_\_\_\_

E-mail: apacheflat@sbcglobal.net

Transfer To:

Name: KENT JOHNSON

Mailing Address: 6808 N.W. 135TH TERRACE

City, State Zip: OKLAHOMA CITY, OK 73142

Home Phone: 405-823-7331 Work Phone: \_\_\_\_\_

E-mail: bigsteer@cox.net

I have read and understood all the terms & conditions listed in the User Agreement located at [www.ChoiceHomeWarranty.com](http://www.ChoiceHomeWarranty.com) and agree to be bound by them. By signing below, I acknowledge that I am of legal age, have provided true and complete information, and have received a copy of the User Agreement.

Print Name: \_\_\_\_\_

Signature: [Signature] Date: 3-1-13

*No charge*

CHOICE HOME WARRANTY

510 Thornall Street • Edison, NJ 08837 • Toll Free: (888) 531-5403



July 13, 2013

Kent Johnson

13444 Prairie View Lane

Oklahoma City, OK, 73142

Re: Claim #50683544

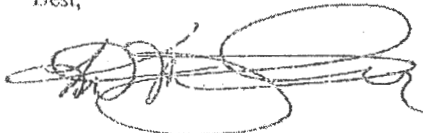
I purchased this house, the address of which is listed above, on March 1, 2013. Prior to the purchase, the house was inspected and Consumer Home Warranty underwrote the HOW policy that was purchased by the seller and provided to me by your company.

Sometime during the night of July 8<sup>th</sup>, the air conditioning unit quit operating. Because outdoor temperatures were 101+ in Oklahoma at the time (I woke up to temperatures inside my house of 84 degrees at 7 a.m.), I did not have the option of seeing how your company would respond so I contacted a technician from Air Comfort Solutions, a very reputable firm in Oklahoma City. I believed the unit would only need minor servicing. Air Comfort Solutions came out on July 9<sup>th</sup> and indicated the complete unit needed to be replaced.

I contacted your company on July 9<sup>th</sup> and my technician talked to your staff, explaining that the capacitor went out. At that time, the staff members we spoke with said the unit had likely not been maintained properly. My technician told your staff there was no rust, no dirt, and no indication of improper maintenance and that it was only approximately 9 years old. The indicated staff member said that the company would get back in contact with us that day. When I did not hear back from your staff that night, or the next day, I called the company and learned the company denied my claim saying the unit was not maintained properly. I find it an erroneous assumption that you may be able to determine over the phone, having never laid eyes on the unit, that it was in a state of disrepair. The company did not even offer to have a technician make an independent determination.

I have included the bill detailing work completed (totaling \$5587.00), a short note from the technician explaining what he found, as well as an email from the previous owner stating that the unit was serviced by your staff/associates for this same part on 8/22/2010 and all recommended owner maintenance procedures were completed. Please be aware that I will be making copies of all our correspondence and will be filing formal complaints with the Better Business Bureau (BBB) and the Insurance Commission. If that is not sufficient, I will seek legal counsel for further assistance because I believe your company took on this insurance policy in good faith and I accepted it in good faith. I believe a fair resolution is possible and look forward to working with you in order to resolve this issue.

Best,



Kent M. Johnson

405-823-7331



LAW OFFICES  
PAIN AND GARLAND  
111 S. W. SECOND  
P. O. BOX 158  
ANADARKO, OKLAHOMA 73005

LESLIE PAIN (1913-2005)  
JOHN W. GARLAND  
RICHARD A. WILLIAMS

TELEPHONES (405) 247-3365  
(405) 247-3366  
FAX (405) 247-7177  
email: jwgarland@sbcglobal.net

September 10, 2013

Choice Home Warranty  
510 Thornall Street  
Edison, New Jersey 08837

Re: Kent Johnson  
13444 Prairie View Lane  
Oklahoma City, OK 73142  
Policy #919157764

Gentlemen:

On July 13, 2013, Mr. Kent Johnson wrote your company and referred to claim number 50683544 to request payment for the loss of his air conditioning unit. Mr. Johnson has not received a written response from his letter.

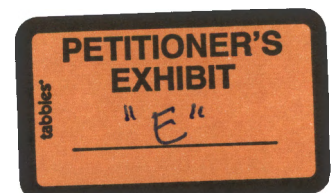
Mr. Johnson notified your company as required by article three of your Choice Home Warranty policy. The company failed to comply with

III.B by sending a service provider to his residence to determine the loss by Mr. Johnson.

Mr. Johnson completed the replacement of his air conditioning unit at a total cost of \$5587.00.

You have also been furnished information to show that the air conditioning unit had been properly maintained since you issued the policy to Mr. Clifford Lussier. Policy did not expire until February 16, 2014.

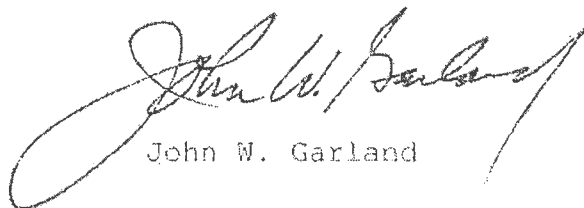
You have also failed to mediate this problem in good faith with Mr. Johnson as required by your policy.



Mr. Johnson is making demand for all sums due to him under the policy. You may contact me or Mr. Johnson concerning this matter. Mr. Johnson may be reached at 405-823-7331, or at the address shown above.

This matter is also being referred to the State Insurance Commissioner for assistance in resolving this claim.

Sincerely,

A handwritten signature in cursive script, appearing to read "John W. Garland". The signature is written in dark ink and is positioned above the printed name.

John W. Garland

JWG:cw

CC: Kent Johnson  
13444 Prairie View Lane  
Oklahoma City, OK 73142

LAW OFFICES  
PAIN AND GARLAND  
III S. W. SECOND  
P. O. BOX 158  
ANADARKO, OKLAHOMA 73005

V  
LESLIE PAIN (1913-2005)  
JOHN W. GARLAND  
RICHARD A. WILLIAMS

TELEPHONES (405) 247-3365  
(405) 247-3368  
FAX (405) 247-7177  
email: jwgarland@abcglobal.net

September 10, 2013

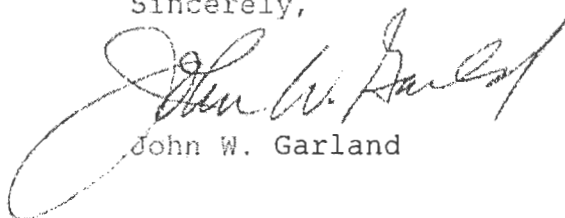
Oklahoma State Insurance Dept  
Suite 100, 3625 NW 56<sup>th</sup> St.  
P.O. Box 53408  
Oklahoma City, OK 73152-3408

Oklahoma Insurance Department  
RECEIVED  
SEP 18 2013  
Consumer Assistance Division

Gentlemen:

Enclosed is a copy of the letter that Mr. Kent Johnson wrote to Choice Home Warranty to cover the cost of the replacement of an air conditioning unit that was insured by Choice Home Warranty. Mr. Johnson has not received a response to his letter. Mr. Johnson also had the unit inspected and it was determined that he had not failed to properly maintain the unit. The company is refusing to mediate with Mr. Johnson or pay his claim. Could you please assist Mr. Johnson in resolving this issue without going to New Jersey for mediation. You will also find enclosed a copy of the letter that we wrote to Choice Home Warranty and a copy of Mr. Johnson's policy.

Sincerely,

  
John W. Garland

JWG:cw  
Encl.

CC: Kent Johnson  
13444 Prairie View Lane  
Oklahoma City, OK 73142  
  
CC: Choice Home Warranty  
510 Thornall Street  
Edison, New Jersey 08837





Governor  
Mary Fallin



Insurance Commissioner  
John Doak

Oklahoma Insurance Department  
State of Oklahoma

October 9, 2013

CHOICE HOME WARRANTY  
510 THORNALL ST  
EDISON NJ 08837

RE: JOHN GARLAND  
OID FILE NUMBER:41880

Dear Ladies and Gentlemen:

Enclosed you will find a copy of a Request for Assistance we have received from the above inquirer. Please review this correspondence and advise this office of your position. We ask that you use our file number on all correspondence concerning this inquiry.

Section 1250.4 (B) of the Oklahoma Insurance Code requires that your company provide this Department with an adequate written explanation regarding your position taken in this matter. Your response must be received by this office no later than thirty (30) days from the date of this letter.

Your response must include the full name of the insuring company and the corresponding NAIC company code. This will ensure that we associate the record of the complaint with the appropriate entity.

We also request that you provide a copy of the policy in question, and further request that you provide a specific contact person who will be handling this matter, their direct telephone number and e-mail address.

Thank you in advance for your assistance and your timely response. This department looks forward to working with you in resolving the insurance problems of this consumer.

Sincerely,

Jason Johnston CIC CISR  
Sr. Claims Process Reviewer  
Consumer Assistance/Claims Division  
Jason.Johnston@oid.ok.gov  
(405)521-2991 Phone (405) 521-6652 Fax

Enclosure

