

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

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)	
STATE OF OKLAHOMA, ex rel. JOHN D.)	
DOAK, Insurance Commissioner,)	
)	CASE NO. 16-0596-DIS
Petitioner,)	
v.)	
)	
HOME WARRANTY ADMINISTRATORS)	
of OKLAHOMA, Inc., d/b/a, CHOICE)	
HOME WARRANTY, an unlicensed service)	
warranty association,)	
)	
Respondent.)	

FILED

AUG 24 2017

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 over this case, pursuant to the provisions of the Oklahoma Insurance Code, *36 O.S. §§ 101 et seq.*, including and in particular *15 O.S. §§ 141.1 et seq.*, which covers the requirements for licensure and transactions subject to the Service Warranty Act.

2. Home Warranty Administrators of Oklahoma, Inc., d/b/a 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*.

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. Respondent secured an Oklahoma license to engage in the business of offering, providing, servicing, and entering into service warranty contracts pursuant to *15 O.S. §§ 141.1 et seq.*, on or about November 18, 2010, which was later suspended on or about March 20, 2014.

2. Subsequent to Respondent's suspension, Respondent continued paying administrative fees through the fourth (4th) quarter of 2014. However, Respondent has paid no administrative fees for 2015 or 2016.

3. In 2015, while Respondent's license was suspended, Respondent sold service warranty contracts to Oklahoma homeowners, to wit, Policy No. 610821623 to Don Miller of [REDACTED] and Policy No. 512291833 to John Heimer of [REDACTED] (the "Consumers").

4. Respondent agrees that the above referenced Consumers both filed complaints with OID asserting that Respondent was inappropriately denying their claims purporting that both Consumers failed to adequately maintain their heat and air units.

5. Respondent agrees to pay a fine related to the aforesaid conduct in the amount of Fourteen Thousand One Hundred and Twenty-five (\$14,125.00) dollars. Respondent further agrees to pay Consumer Heimer in the amount of \$375.00 in addition to any previous paid claims and to pay Consumer Miller \$1,500.00 in addition to any previous paid claims. The amounts paid to Heimer and Miller pursuant to this Consent Agreement are made as a settlement of the allegations set forth in OID's Conditional Administrative Order and Notice of Right to be

Heard filed on July 13, 2016, in the above cited case. Any amounts paid to Consumer Heimer and/or Consumer Miller are not a settlement of any claims, legal or otherwise, that either Heimer and/or Miller may have against Respondent.

6. Respondent recognizes that it may not sell and/or solicit service warranty contracts or any other contract requiring a license issued by OID in Oklahoma or to Oklahoma residents unless it is properly licensed pursuant to *15 O.S. §§ 141.1 et seq.* or other license provision in *36 O.S. §§ 101 et seq.*

CONCLUSIONS OF LAW

1. Respondent violated the provisions of *15 O.S. §§ 141.4* by willfully acting as a service warranty association without a license issued by the Oklahoma Insurance Commissioner.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner and **CONSENTED** to by Home Warranty Administrators of Oklahoma, Inc., d/b/a Choice Home Warranty that Respondent shall pay a fine in the amount of Fourteen Thousand One Hundred and Twenty-five Dollars(\$14,125.00) for the above mentioned violations of the Oklahoma Insurance Code. The fine is to be submitted upon entry of this Order.

IT IS FURTHER ORDERED that Home Warranty Administrators of Oklahoma, Inc., d/b/a Choice Home Warranty will agree to pay settlements to the consumers Don Miller of [REDACTED] [REDACTED] in the amount of \$1,500.00 and John Heimer of [REDACTED] [REDACTED] in the amount \$375.00, totaling \$1,875.00 upon entry of this Order. Payment shall be made by submitting cashier's checks made out to each individual and mailed to OID upon entry of this Order.

IT IS FURTHER ORDERED that Respondent shall immediately discontinue all solicitation, renewals and/or sales of service warranty contracts in the State of Oklahoma, to Oklahoma residents and/or covering any property located in the State of Oklahoma, including but not limited to online solicitation; email marketing; direct mail marketing and other forms of marketing directed towards Oklahoma residents until such time as Respondent is appropriately licensed.

IT IS FURTHER ORDERED that Respondent shall be obligated to pay all valid claims and refunds that arise pursuant to all service warranty agreements and/or contracts entered into by consumers in Oklahoma in keeping with relevant provisions of the Oklahoma Insurance Code.

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 Home Warranty Administrators of Oklahoma, Inc., d/b/a Choice Home Warranty, its agents, affiliates, employees, and/or other representatives.


WITNESS My Hand and Official Seal this 24th day of August, 2017.



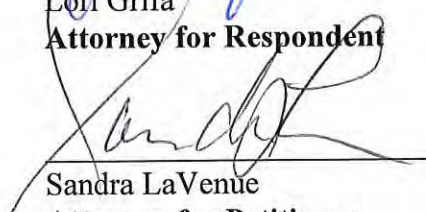
JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA



John D. Miller
Hearing Examiner



Victor Mandalawi
Representative of Respondent

Lori Grifa
Attorney for Respondent

Sandra LaVenu
Attorney for Petitioner

CERTIFICATE OF SERVICE

This is to certify that on the date of filing, **I, Sandra LaVenu**, 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 ___ day of August, 2017 to:

Lori Grifa
Archer & Greiner
Court Plaza South West Wing
21 Main Street, Suite 353
Hackensack, NJ 07601-7095



SANDRA LAVENUE