

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of Unlicensed Activity of:

LIFETIME HOME WARRANTY LLC

Respondent.

No. 22A-067-INS

ORDER TO CEASE AND DESIST

The Arizona Department of Insurance and Financial Institutions (“Department”) received evidence that **LifeTime Home Warranty LLC (“Respondent”)** has unlawfully offered or issued service contract(s) in the state of Arizona without obtaining a service company permit. Accordingly, the Director of the Department (“Director”) makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. § 20-1095.09(B).

FINDINGS OF FACT

1. Respondent is a Delaware domiciled limited liability company.
2. On or about November 16, 2022, the Department received a complaint from an Arizona consumer D.H. alleging that Respondent failed to refund the service contract purchase price in the amount of \$599.00, and an additional payment of \$150.00 for signing the release and covenant not to sue agreement.
3. The Department commenced an investigation into this matter. The Department’s investigation determined the following:

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- a) D.H. purchased a home warranty from Respondent effective April 2, 2022.
- b) Following a dispute regarding D.H.’s HVAC maintenance records, D.H. and Respondent mutually agreed to cancel the service contract. Per the agreement, Respondent was required to refund the contract purchase price, and the release and covenant not to sue payment, totaling \$709.00, by August 22, 2022.
- c) As of the date of this Order, Respondent has not refunded D.H.’s payments.

4. On or about December 2, 2022, the Department received a complaint from an Arizona consumer C.R. alleging Respondent delayed the processing of a claim, lack of response and misrepresentation regarding the terms of the service contract.

5. The Department commenced an investigation into this matter. The Department’s investigation determined the following:

- a) C.R. purchased a home warranty from Respondent effective October 9, 2022.
- b) On or about November 9, 2022, C.R. filed a claim with Respondent for a broken microwave oven.
- c) On or about November 11, 2022, Respondent advised C.R. to “contact any service technician of [his] choice” and that “[a]ll repairs estimates below \$150 are pre-approved for reimbursement.”
- d) Upon completion of the repair, C.R. provided to Respondent a cost of the repair reimbursement request in the amount of \$115.00 and supporting documentation.
- e) Respondent failed to reimburse the payment for the repair.

1 f) On or about November 21, 2022, C.R. contacted Respondent to request a
2 cancellation of the service contract and a refund of the purchase price¹.

3 g) Respondent refused to refund the purchase price stating that “the plan is not
4 cancellable” as a consequence of C.R. filing the November 9 claim.

5 **CONCLUSIONS OF LAW**

6 6. The Director has jurisdiction over this matter.

7 7. Respondent’s conduct, as described above, constitutes a violation of Title 20
8 or any rule, subpoena or order of the Director. A.R.S. § 20-295(A)(2).

9 8. Respondent’s conduct, as described above, constitutes offering and issuing
10 service contracts without a permit. A.R.S. § 20-1095.01(A).

11 9. Respondent is not exempt from the permit requirement. A.R.S. § 20-
12 1095.02(A).

13 10. Service company contracts issued by Respondent are enforceable and valid
14 contracts. A.R.S. § 20-1095.05

15 11. Grounds exist for the Director to order Respondent to cease and desist from
16 offering and issuing service contracts without a permit. A.R.S. § 20-1095.09(B).

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¹ The service contract between the parties allowed C.R. to “cancel this Agreement within the
22 first thirty (30) days of the order date for a full refund of the paid contract fees, less any
service costs incurred by us provided no claims have been made.”

1 **ORDER**

2 IT IS HEREBY ORDERED THAT:

3 1. Respondent shall immediately cease and desist from offering or issuing
4 service contracts in Arizona without a permit.

5 2. Respondent shall immediately begin the process of obtaining an Arizona
6 service company permit.

7 3. Respondent shall continue to investigate and pay all claims arising out of acts
8 covered by Respondent's service contracts issued to Arizona residents for so long as such
9 claims may legally be brought against the contract holders.

10 4. Respondent shall, within fifteen (15) days of receipt of this Order, furnish the
11 Department with a complete listing, to include contact information, of all Arizona residents
12 and business who have purchased service contracts sold by Respondent and that Respondent
13 reports to the Department all premiums collected or charged for policies sold covering
14 Arizona risks.

15 5. This Order shall become effective immediately and shall remain in full force
16 and effect until otherwise stayed, modified, vacated or set aside.

17 **NOTICE OF OPPORTUNITY FOR HEARING**

18 Pursuant to Title 20 of the Arizona Revised Statutes, Respondent is hereby notified
19 that it may request a hearing pursuant to A.R.S. § 20-161 to contest the order to cease and
20 desist. Such a request must be in writing and received at the following address within thirty
21 (30) days from the date hereof:
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Arizona Department of Insurance and Financial Institutions
Attn: Gio Espinosa, Regulatory Legal Affairs Officer
100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007-2630

Upon receipt of a timely written request for hearing, the Department will issue an order setting the time and place of the hearing.

Effective this 7th day of **December**, 2022.



Evan G. Daniels, Director
Arizona Department of Insurance and
Financial Institutions

1 **COPY** of the foregoing mailed by
2 Certified Mail, Delivery Receipt requested,
3 this 8th day of **December**, 2022, to:

3 LifeTime Home Warranty LLC
4 200 Continental Drive, Suite 401
5 Newark, DE 19713
6 Respondent

9489 0090 0027 6486 6717 47

6 **COPY** of the foregoing mailed by
7 Certified Mail, Delivery Receipt requested, and
8 U.S. First Class mail, to:

7 Legalinc Corporate Services Inc
8 RE: LifeTime Home Warranty LLC
9 651 North Broad Street, Suite 201
10 Middletown, DE 19709
11 Statutory Agent for Respondent

9489 0090 0027 6486 6717 30

11 **COPY** of the foregoing delivered/mailed same date, to:

12 Deian Ousounov, Assistant Director
13 Gio Espinosa, Regulatory Legal Affairs Officer
14 Ana Starcevic, Paralegal Project Specialist
15 Catherine O'Neil, Consumer Legal Affairs Officer
16 Steven Fromholtz, Licensing Manager
17 Linda Lutz, Legal Assistant
18 Wendy Greenwood, Investigation Supervisor
19 Arizona Department of Insurance and Financial Institutions
20 100 North 15th Avenue, Suite 261
21 Phoenix, Arizona 85007-2630

17 Ana Starcevic