

# PRESS RELEASE

**JANE DEE HULL**  
GOVERNOR



**CHARLES R. COHEN**  
DIRECTOR

## ARIZONA DEPARTMENT OF INSURANCE

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### **Insurance Director Issues Order Requiring Defunct U.S. Home Warranty to Reimburse Customers**

Arizona Insurance Director Charles R. Cohen issued an order on Jan. 17, revoking the service company permit of U.S. Home Warranty, L.L.C. and directing the owner to make refunds to customers totaling more than \$10,800.

The order, agreed to by Pedro Resendes, owner of the firm, states that Resendes must cease and desist from conducting service company business in Arizona. U.S. Home Warranty issued service contracts to perform services related to the maintenance or repair of consumer products or appliances or electrical, plumbing, heating, cooling or air conditioning systems in residential properties.

Cohen suspended the company's permit on Dec. 7, 2000, after the Arizona Department of Insurance was notified by Capitol Indemnity Corporation that it was canceling U.S. Home Warranty's \$100,000 bond because of the firm's failure to provide underwriting information. A service company is required to file and maintain a \$100,000 cash deposit or bond with the Insurance Department. The Insurance Department had received complaints and inquiries from consumers regarding their inability to contact U.S. Home Warranty for reimbursement and services under their service contracts.

Resendes, who first obtained a service company permit last March 14, has agreed, over the next year, to repay 32 customers amounts collected for the balance of service contracts. Amounts owed to consumers average \$340. Resendes stated that he has already settled with 17 other customers.

Consumers with unpaid claims are being referred to Capitol Indemnity. According to the terms of the bond, claims on service contracts issued before Dec. 6, 2000, should be covered up to the limits of the bond.

Consumers with questions about service contracts issued by U.S. Home Warranty are encouraged to contact the Insurance Department's Consumer Affairs Division at (602) 912-8444 or (1-800) 325-2548.