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PRESS RELEASE

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Arizona Department of Insurance Orders Unlicensed Home Warranty Company to Cease and Desist *Director reminds consumers to verify before they buy*

PHOENIX – On May 12, 2009, Insurance Director Christina Urias ordered National Home Protection, Inc (NHP) to immediately Cease and Desist offering or soliciting home warranty service contracts, and to stop taking or receiving any premium or fees for any warranty service contracts in Arizona.

Several Arizona residents filed complaints with the Arizona Department of Insurance (ADOI) alleging that NHP did not pay their home warranty service claims. ADOI's subsequent investigation revealed that NHP did not hold the required license to issue these contracts to Arizona residents. NHP also ignored an ADOI subpoena and failed to appear at a hearing.

A New York-based company, NHP solicited customers nationwide from its website. The States of Oklahoma and Texas also took action against NHP for unlicensed activity.

Home warranty service companies must have an ADOI-issued license in order to sell or issue home warranty service contracts in Arizona. They must also file their warranty contracts with the ADOI to ensure that the contracts contain all required provisions.

"Regrettably, this serves as a reminder that we as consumers must be diligent about researching the legitimacy of a business before we buy its contract or service," said Director Urias. "Consumers should call us first, before they buy a warranty service contract or insurance product, to confirm that a company is properly licensed in Arizona."

Director Urias ordered NHP to pay all valid claims arising from the warranty contracts it issued in Arizona.

Arizona consumers shopping for a car or home warranty service contract should **verify the licensure** of warranty service companies!
Call the Arizona Department of Insurance at: 602-364-2499 or 800-325-2548 (outside Phoenix).

A home warranty service contract is defined as: a written contract...to perform, over a fixed period of time or for a specified duration, service relating to the maintenance or repair, including replacement, of a consumer product, or all or any part of the structural components, the appliances or the electrical, plumbing, heating, cooling or air conditioning systems of residential property. A home warranty service contract is not a warranty issued by a manufacturer, builder or seller of a particular item.

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