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PRESS RELEASE

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For Immediate Release
December 16, 2011

“InHouse Home Warranty” Unauthorized Home Warranty Company Ordered to Cease & Desist

Consumers urged to verify licensure before purchase

InHouse Home Warranty, Inc. (“InHouse”) was a service company that sold home warranties through real estate agents, on-line and by phone. Its owner is Brock Kuchynka (“Kuchynka”) and its office was located at 9035 E. Pima Center Parkway, Suite 9, Scottsdale, AZ 85258.

On February 25, 2009, the Arizona Department of Insurance (“Department”) issued an Order Summarily Suspending the service company permit of InHouse prohibiting it from issuing new home warranties and renewing existing contracts. In addition, InHouse did not renew its Service Contract permit on December 31, 2009 so it was unauthorized, not just suspended, after that date.

Regrettably, InHouse and Kuchynka continued to collect payment for and issue new home warranty contracts, and take payments for and renew existing contracts, long after they lost the legal authority to do so. In fact, one consumer reported that InHouse collected payment for a new contract as recently as November 3, 2011 -- weeks after Kuchynka had closed up the office and let the employees go.

In October, the Department began receiving calls and complaints about InHouse not responding to clients’ requests for service or answering their phones. Upon investigation, it became clear that Kuchynka continued to operate InHouse after its permit had been suspended and eventually expired. On December 2, 2011, the Department ordered InHouse and Kuchynka to cease and desist marketing, issuing or collecting payment for any warranty service contracts through any means, including the Internet.

In addition, the Department ordered InHouse and Kuchynka to pay all valid claims arising out of acts covered by any and all warranty service contracts held by Arizona residents. Arizona law states that any service contract issued in violation of Arizona insurance law is a valid and enforceable contract. Arizonans who purchased a home warranty contract from InHouse and who have unpaid claims for services eligible for payment under their contract, should seek reimbursement from InHouse and Kuchynka directly, and/or pursue their claim in small claims court. In addition to pursuing individual legal remedies, InHouse

customers who purchased a contract after February 2009 can report unpaid claims to the Department to assist in other possible action.

Home warranty service companies must have a permit from the Department in order to sell or issue home warranty service contracts in Arizona. In addition, the contracts must be filed with and approved by the Department prior to being sold in Arizona. The law defines these contracts as covering “*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.*” Before purchasing a home warranty service contract, Arizona consumers should contact the Department to verify that companies have the necessary permit to operate:

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