

ORDER ON HEARING

In the Matter of:
National Home Protection, Inc.

Docket No.
INS No. 09-018-EP

I. BACKGROUND

1. On Thursday, April 9, 2009 at 10am a Hearing was held at the New Hampshire Insurance Department (“Department”) pursuant to an **Order to Show Cause and Notice of Hearing** dated March 12, 2009 and signed by Commissioner Roger Sevigny. This was sent to Mr. Richard Sanders at the addresses of National Home Protection, Inc. by certified mail return receipt requested. Mr. John Talley appeared for the Department as Staff Advocate.
2. The Hearing was held pursuant to New Hampshire Revised Statutes Annotated (“RSA”) 400-A:19 and the New Hampshire Code of Administrative Rules Part INS 200.
3. In June 2008, a New Hampshire consumer, Ms. Victoria Kruggel, was contacted by National Home Protection, Inc. in response to her request for information on home warranty contracts. Ms. Kruggel purchased National Home’s home warranty contract over the telephone with a credit card. The home warranty contract was subsequently mailed to Ms. Kruggel at her home address in New Hampshire.
4. Based on a review of the Department’s database, the Order to Show Cause indicates that National Home was not registered at the time of the above sales activity and as of the Hearing was still not registered as required under RSA 415-C:3 I(a):
 - I. *No obligor shall offer, administer, sell, solicit, negotiate, or act under a consumer guaranty contract in this state unless:*
 - (a) *The obligor registers with the commissioner on a form prescribed by the commissioner and pays the registration fee required by RSA 400-A:29 VIII-a....*
5. No representative of National Home Protection, Inc. appeared at the Hearing. Further, no testimony or correspondence of any kind was received from any individual representing National Home Protection, Inc. in regard to the Hearing or Order to Show Cause.

II. FINDINGS OF FACT

6. Several items were introduced as exhibits by John Talley, Enforcement Examiner at the New Hampshire Insurance Department, appearing as staff advocate for the Department. These include:
 - (i) Certified Mail receipt and signed Return Receipt (Exhibit A)
 - (ii) Consumer Complaint Form from Victoria Kruggel (Exhibit B)

- (iii) Letter from Victoria Kruggel to Mary Ellen Sasseville of the Department's Consumer Division (Exhibit C)
- (iv) Letter dated December 18, 2008 from National Home Protection, Inc. (Richard Sanders) stating their position in response to the complaint by Victoria Kruggel. (Exhibit D)
- (v) A copy of the Home Warranty Contract issued to Victoria Kruggel by National Home Protection. (Exhibit E)
- (vi) A copy of the letter sent with the Certified Mail mailing referenced in item (i) and entered as Exhibit A. (Exhibit F)

7. National Home Protection's home warranty contract is a consumer guarantee contract as defined under RSA 415-C:1 III:

III. "Consumer guaranty contract":

(a) Is an agreement in which one party, for consideration, promises to pay, indemnify, provide a specified or determinable amount or benefit, or to do some act of value for another party, based upon a determinable risk contingency or peril, but which is not insurance or does not warrant full application of the state's insurance statutes or rules.

(b) Includes the following agreements:

(1) Service contracts, also known as extended warranties or warranty service contracts that apply to motor vehicles, homes, and consumer products.

8. A review was done of the New Hampshire Insurance Department (NHID) database, which includes all companies registered with the state. This review indicated that National Home Protection, Inc was not, at the time of the sales activity, registered as required under RSA 415-C:3 I(a):

I. No obligor shall offer, administer, sell, solicit, negotiate, or act under a consumer guaranty contract in this state unless:

(a) The obligor registers with the commissioner on a form prescribed by the commissioner and pays the registration fee required by RSA 400-A:29 VIII-a....

9. Further questioning by the Hearing Officer to the staff advocate indicated that there appears to be no evidence that National Home Protection, Inc has ever been registered to conduct this type of business in New Hampshire as required under RSA 415-C:3 I(a).

10. National Home Protection, Inc. was notified as required by law of the Order to Show Cause and Notice of Hearing. National Home Protection, Inc. did not respond to the Order to Show Cause, did not supply any written testimony to the Department and did not appear at the Hearing, nor did any counsel for National Home Protection, Inc communicate with the Department or appear at the Hearing.

III. CONCLUSIONS OF LAW

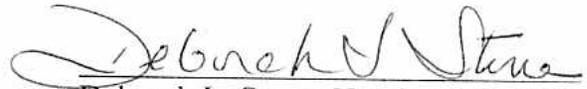
11. It is a statutory requirement of the state of New Hampshire, under RSA 415-C, that providers of home warranty products register with the state and pay the appropriate registration fee before they are permitted to conduct that business in the state.
12. National Home Protection, Inc. engaged in the business of selling a home warranty contract to Victoria Kruggel at a time when the company was not registered to conduct this business as required by law.

ORDER

THEREFORE, as Hearing Officer, I find that the evidence of record in this Hearing is sufficient to demonstrate that National Home Protection, Inc. operated in a manner not in compliance with New Hampshire law and it is hereby ORDERED that:

1. National Home Protection, Inc. cease and desist from operation in the State of New Hampshire, and,
2. National Home Protection, Inc. pay an administrative penalty of \$1,500 for violating the provisions of RSA 415-C.

19 May 2009
Date


Deborah L. Stone, Hearing Officer