

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

**In Re: Harmony Home Warranty, LLC
Docket No.: Ins. No. 21-055-EP**

**ORDER TO SHOW CAUSE
AND
NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders Harmony Home Warranty, LLC (“Respondent”) to show cause why the New Hampshire Insurance Commissioner should not levy an administrative fine against it and/or order Respondent to cease and desist from offering consumer guaranty contracts in the state. In support of the Order to Show Cause and pursuant to RSA 541-A:31, RSA 400-A:17 *et seq.* and Ins Chapter 200, the NHID states as follows:

STATEMENT OF FACTS

1. Respondent is a limited liability company organized in the State of New Jersey, and offers consumer guaranty contracts in New Hampshire.
2. Respondent is not and has never been registered as an obligor in the State of New Hampshire, and is not authorized to provide service guaranty contracts to consumers in New Hampshire.
3. On or about January 7, 2021 Respondent offered to NH consumer W.S. a service guaranty contract to cover his home.
4. On or about March 24, 2021, W.S. filed a claim with Respondent; after multiple failed attempts to reach Respondent, W.S. spoke with an operator on or about April 2, 2021, who indicated there were “technical difficulties” with the claim.
5. Since then, W.S. has called and e-mailed Respondent multiple times, but has never received a response regarding his outstanding claim.
6. Between June 24, 2021 and July 2, 2021, the NHID, through its Consumer Services Division, attempted multiple times to communicate with Respondent via US mail, e-mail, and telephone. Respondent failed to respond to any of those inquiries.

7. On July 13, 2021, pursuant to NH RSA 400-A:16, II the NHID requested that Respondent provide information related to its failure to register with the State, copies of all contracts it offered in New Hampshire, and other information related to its operations in New Hampshire.
8. Respondent failed to respond to that July 13, 2021 request.
9. On July 28, 2021, pursuant to NH RSA 400-A:16, II the NHID requested that Respondent provide information related to its failure to register with the State, copies of all contracts it offered in New Hampshire, and other information related to its operations in New Hampshire.
10. Respondent failed to respond to that July 18, 2021 request.

STATEMENT OF ISSUES

11. Whether the Respondent violated NH RSA 415-C:3, I (a) by failing to register with the commissioner while offering, administering, selling, soliciting, negotiating, or acting under a consumer guaranty contract in New Hampshire.
12. Whether Respondent violated NH RSA 415-C:4 by failing to provide proof of financial responsibility to the NHID.
13. Whether the Respondent violated NH RSA 415-C:7, I (f) by failing to act promptly upon communications with respect to claims arising under a consumer guaranty contract.
14. Whether Respondent violated NH RSA 415-C:7, II (a) by making, permitting, or causing the practice that resulted in failure to perform the services promised under the contract in a timely, competent, or workmanlike manner.
15. Whether Respondent violated NH RSA 400-A:16, II by failing to provide to the NHID within 10 working days the information requested on July 13, 2021, and July 28, 2021.
16. The NHID reserves the right to amend this statement of issues upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

INSURANCE LAWS VIOLATED BY RESPONDENT

17. The NHID maintains the Respondent violated the following New Hampshire insurance law statutes: NH RSA 415-C:3, I (a), NH RSA 415-C:4, NH RSA 415-C:7, I (f), NH RSA 415-C:7, II (a), and NH RSA 400-A:16, II.
18. The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

PENALTY REQUESTED

19. In the event that the Hearing Officer determines after an evidentiary hearing that the NHID sustained its burden of proof with respect to the allegations of fact and violations of law outlined above, the NHID requests that the Hearing Officer impose the following sanctions on the Respondent:
 - a. Order the Respondent to cease and desist from further consumer guaranty contract operations in New Hampshire;
 - b. Order the Respondent to pay a penalty in an amount not to exceed \$1,000 per violation;
 - c. Order the Respondent to pay a penalty in an amount not to exceed \$10,000 for each violation that is willful; and
 - d. Order the obligor to make restitution to consumer W.S.
20. The NHID reserves the right to amend penalty requested upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

NOTICE OF HEARING

21. An adjudicatory proceeding shall be commenced for the purpose of resolving the issues articulated above pursuant to RSA 541-A:31, RSA 400-A:17, *et seq.*, and Ins 200. To the extent that the Department's rules do not address an issue of policy or procedures, the Department shall apply the N.H. Department of Justice Rules, Part 800.
22. The Respondent shall appear at Department on **October 19, 2021 at 10:00 AM**, at the Department's office located at 21 South Fruit Street, Suite 14, in Concord New Hampshire to participate in this adjudicatory proceeding and, if deemed appropriate, be subject to sanctions pursuant to RSA 415-C:10 and RSA 400-

A:15, III. Respondent's failure to appear at the time and place specified above may result in the hearing being held *in absentia* and sanctions may be imposed without further notice or an opportunity to be heard.

23. Emily Doherty, Esq. is appointed to act as Hearing Officer in this matter with all the authority within the scope of RSA 400-A:19 and Ins 203.01.
24. Linda Zalinskie shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Zalinskie, whose contact information is:

Linda Zalinskie, Clerk
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2261
Fax: (603)271-1406
Email: linda.m.zalinskie@ins.nh.gov
25. The Respondent has the right to be represented by a lawyer in this proceeding. However, the Respondent shall bear the cost of retaining said lawyer. Should the Respondent elect to retain a lawyer, his lawyer shall file a Notice of Appearance with Ms. Zalinskie, and said lawyer should do so at the earliest possible date. A copy of the NHID's Notice of Appearance form is enclosed with this Order.
26. Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.
27. Joshua Hilliard, Esq. shall serve as staff advocate representing the interests of the NHID.
28. All routine procedural inquiries may be made by contacting Linda Zalinskie, Hearing Clerk, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord NH 03301, (603) 271-2261, but that all other communications with the Hearing Officer and the Commissioner shall be in writing and filed as provided above. *Ex parte* communications are forbidden by statute and the Department's regulations.

29. A copy of this hearing notice shall be served upon Respondent by certified mail addressed to the mailing address on file with New Hampshire Insurance Department. *See*, RSA 400-A:14.

It is **SO ORDERED**.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 8-30-2021



Christopher Nicolopoulos
Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested to support@harmonyhomewarranty.com, info@harmonyhomewarranty.com, Harmony Home Warranty, LLC, 90 E Halsey Road, Site 333 #194, Parsippany, NJ 07054; Harmony Home Warranty, LLC, 1222 Avenue M, Brooklyn, NY 11230-5204; and Home Life Services, Inc: 9201 4th Ave, FL 6, Brooklyn, NY 11209-7066.

Date: 9/1/21



Joshua S. Hilliard, Esq.
Compliance & Enforcement Counsel

NEW HAMPSHIRE INSURANCE DEPARTMENT

ATTORNEY APPEARANCE or WITHDRAWAL

Docket No. (if known): _____

Respondent Name or Case Name: _____

APPEARANCE

WITHDRAWAL

Please **ENTER** my appearance as
Counsel for _____

Please **WITHDRAW** my appearance as
Counsel for _____

I confirm that neither I nor any member of my
law firm have been retained by the Department
of Insurance or the Commissioner of Insurance.

Notice of Withdrawal sent to my client on:
_____ at the following address:

I hereby certify that I provided a copy of this original request to the Department and a copy to all other known parties to this matter in accordance with Ins 204.09.

Signed: _____

Name: _____ NH Bar #: _____

Firm Name: _____ Email: (see also below) _____

Physical Address: _____

Mailing Address (if different): _____

Phone: _____

Email Consent: By checking this box, I consent to delivery by email in accordance with Ins 204.09(c). Please send communications and documents to the above email address.

Date: _____ **Signature:** _____

If you do not consent to delivery by email, all communications will be sent to you by personal delivery at your physical address or by United States Postal Service first class mail to your mailing address.