

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

**HOME WARRANTY ADMINISTRATOR OF  
ARIZONA, INC. DBA CHOICE HOME  
WARRANTY**

**No. 23A-003-INS**

**CONSENT ORDER**

**SBS Company Number: 49207241**

2147 Route 27 South, 4th Floor  
Edison, NJ 08817

**Respondent.**

The Arizona Department of Insurance and Financial Institutions (“Department”) alleges that Home Warranty Administrator of Arizona, Inc. dba Choice Home Warranty (“Respondent”) violated provisions of Title 20, Arizona Revised Statutes (“A.R.S.”). Respondent wishes to resolve this matter without the commencement of formal proceedings, and without admitting or denying the allegations herein, and consents to the entry of the following Conclusions of Law and Order. Respondent’s consent to this Order shall not constitute any admission of liability, wrongdoing, or violation of law of any kind.

**FINDINGS OF FACT**

1. Respondent is an Arizona domiciled service company. Respondent holds a service company permit issued by the Department on September 16, 2010.

2. During the year of 2022, the Department received multiple complaints from Arizona consumers alleging Respondent unjustifiably denied claims under their home warranty policies.

**Complaint Number 47603**

a) On or about February 9, 2022, B.M. submitted a complaint to the Department alleging that Respondent unjustly denied her claim for a water heater repair.

b) On or about February 22, 2022, the Department, via Gmail sent to [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide the complete

1 records listed on the Request for Information (RFI) and a response to B.M.'s complaint by  
2 March 15, 2022. Respondent claims it did not receive this correspondence. Respondent  
3 failed to respond.

4 c) On or about May 9, 2022, the Department sent a second email correspondence to Respondent  
5 requesting a response by May 13, 2022. On May 13, 2022, Respondent provided an  
6 incomplete response. The response was missing a completed Request for Information Form  
7 ("RFI") form.

8 d) On or about May 16, 2022 the Department contacted Respondent's Vice President of Dispute  
9 Resolution and Assistant General Counsel by telephone to request the missing RFI. On May  
10 16, 2022, Respondent provided the completed RFI.

11 **Complaint Number 48614**

12 e) On or about May 9, 2022, E.A. submitted a complaint to the Department alleging Respondent  
13 wrongfully denied her claim for pool filter repair. E.A. further claimed that Respondent's  
14 pool technician misdiagnosed the ultimate problem with the pool filter.

15 f) On or about May 11, 2022, the Department, via email correspondence sent to  
16 [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide complete  
17 records and a response to E.A.'s complaint by June 1, 2022. On May 17, 2022, Respondent  
18 responded, but failed to include the complete claim file, including the technician's  
19 inspection/diagnostic report.

20 g) On or about June 7, 2022, the Department, through email correspondence, requested the  
21 complete claim file and directed Respondent to provide the complete claim file by June 14,  
22 2022. On or about June 9, 2022, Respondent provided the requested records.

23 h) On or about July 1, 2022, the Department, through email correspondence, requested  
24 additional information regarding Respondent's handling of the claim and directed  
25 Respondent to provide the complete claim file by July 8, 2022. Respondent claims it did not

1 receive the July 1, 2022 correspondence from the Department. On or about August 12, 2022,  
2 the Department followed up on its request, and Respondent provided the requested additional  
3 information on the same day.

4 **Complaint Number 49038**

- 5 i) On or about June 15, 2022, I.A. submitted a complaint to the Department alleging that  
6 Respondent wrongfully denied her claim for a pool pump repair, due to incorrectly stating  
7 there was a lapse in her home warranty insurance coverage.
- 8 j) On or about June 28, 2022, the Department, via email correspondence sent to  
9 [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide complete  
10 records and a response to I.A.'s complaint by July 20, 2022. Respondent failed to provide a  
11 response.
- 12 k) On or about August 1, 2022, the Department sent a second email correspondence to  
13 Respondent requesting a response by August 8, 2022. Respondent provided a response on  
14 August 2, 2022. However, Respondent's response failed to provide I.A.'s complete claim  
15 file to the Department.
- 16 l) On or about September 29, 2022, the Department requested that Respondent provide the  
17 complete claim file by October 3, 2022. Respondent failed to provide a response.
- 18 m) On or about October 13, 2022, the Department requested a response to the September 29,  
19 2022 request for information and directed Respondent to respond by end of day October 13,  
20 2022. Respondent responded on the same date.
- 21 n) On or about October 28, 2022, the Department sent a request for additional information, due  
22 by November 2, 2022. Respondent failed to provide a response.
- 23 o) On or about October 31, 2022, the complainant contacted the Department indicating they had  
24 not received reimbursement for her claim.
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1 p) On or about November 14, 2022, the Department sent a follow-up request regarding the  
2 Department's October 28th request for additional information, due by November 16, 2022.

3 Respondent provided a response on November 14, 2022.

4 q) On or about November 15, 2022, the complainant contacted the Department, indicating she  
5 had not received reimbursement for her claim.

6 **Complaint Number 49060**

7 r) On or about June 17, 2022, G.F. submitted a complaint to the Department alleging that  
8 Respondent wrongfully denied her claim for A/C repair, as well as G.F.'s request for payment  
9 reimbursement for the services provided by a third party at Respondent's direction.

10 s) On the same date, June 17, 2022, the Department, via email correspondence sent to  
11 [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide complete  
12 records and a response to G.F.'s complaint by June 20, 2022. Respondent provided a  
13 complete response on June 20, 2022 via email because the Department's portal would not  
14 allow Respondent to upload documents.

15 t) On or about July 8, 2022, the Department sent a second email correspondence to Respondent  
16 requesting additional documents by July 13, 2022. Respondent failed to respond to the  
17 Department's request.

18 u) On July 15, 2022, the Department contacted Respondent's Vice President of Dispute  
19 Resolution and Assistant General Counsel by telephone. Respondent provided the complete  
20 claim file on the same date, July 15, 2022.

21 **Complaint Number 49386**

22 v) On or about July 14, 2022, J.C. submitted a complaint to the Department alleging that  
23 Respondent wrongfully denied his claim for A/C repair due to a third-party contractor  
24 misdiagnosing the problem.

1 w) On or about July 15, 2022, the Department, via email correspondence sent to  
2 [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide complete  
3 records and a response to J.C.'s complaint by July 18, 2022. On July 18, 2022, Respondent  
4 provided an incomplete response which was missing the claim file and the contractor's  
5 inspection report.

6 x) On or about August 2, 2022, the Department sent a second email correspondence to  
7 Respondent requesting the missing information by August 5, 2022. Respondent provided the  
8 requested information on November 2, 2022.

9 **Complaint Number 49458**

10 y) On or about July 18, 2022, M.C. submitted a complaint to the Department alleging that  
11 Respondent failed to resolve M.C.'s claim for A/C services.

12 z) On or about July 19, 2022, the Department, via email correspondence sent to  
13 [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide complete  
14 records and a response to M.C.'s complaint by July 22, 2021. Respondent provided a  
15 response on July 22, 2022 via email because the Department's portal would not allow  
16 Respondent to upload documents. The response was missing a copy of the warranty contract  
17 and the claim file.

18 aa) On or about July 22, 2022, the Department sent a second correspondence to the email address  
19 [ljorge@choicehomewarranty.com](mailto:ljorge@choicehomewarranty.com) requesting that Respondent provide the missing  
20 information. On the same date, July 22, 2022, Respondent provided the missing information.

21 bb) On the same date, July 22, 2022, the Department received additional information from M.C.  
22 regarding his complaint.

23 cc) On or about July 25, 2022, the Department forwarded the additional information to  
24 Respondent and requested a response by July 27, 2022.

1 dd) On or about July 26, 2022, Respondent provided a response stating that M.C. did not provide  
2 documentation that would support overturning the initial claim denial.

3 ee) On or about July 28, 2022, the Department sent a request for clarification and documents  
4 supporting their July 26 statement declining to overturn the initial denial by August 2, 2022.  
5 On July 29, 2022, Respondent responded but failed to provide complete information to the  
6 Department.

7 ff) On or about July 29, 2022, the Department sent a follow up request for the missing  
8 information and documents supporting their July 26 statement declining to overturn the initial  
9 denial by August 2, 2022. Respondent failed to respond to the Department.

10 gg) On or about November 16, 2022, the Department sent a request for clarification and  
11 documents supporting their July 26 statement declining to overturn the initial denial by  
12 November 18, 2022. Respondent responded on the same day.

13 **Complaint Number 49788**

14 hh) On or about August 10, 2022, E.M. submitted a complaint to the Department alleging that  
15 Respondent denied his claim for A/C repair based on unsubstantiated basis.

16 ii) On the same date, August 10, 2022, the Department, via email correspondence sent to  
17 [info@homewarrantyadministrators.com](mailto:info@homewarrantyadministrators.com), requested that Respondent provide complete  
18 records and a response to E.M.'s complaint by August 31, 2022. Respondent provided a  
19 incomplete response on August 14, 2022 via email because the Department's portal would  
20 not allow Respondent to upload documents.

21 jj) On or about October 5, 2022, the Department sent a second email correspondence to  
22 Respondent requesting the missing RFI form by October 10, 2022. At the time of this Order,  
23 Respondent has not provided the missing information to the Department.

1 CONCLUSIONS OF LAW

2 3. The Director has jurisdiction over this matter.

3 4. The Director has authority to conduct examinations and investigations of insurance matters  
4 and to request the accounts, records, documents, files, assets and matters in the person's possession or  
5 control pursuant to A.R.S. § 20-142(C).

6 5. Respondent's conduct, as alleged above, constitutes a violation of the requirement that a  
7 person shall not commit or perform with such a frequency to indicate as a general business practice  
8 failing to acknowledge and act reasonably and promptly upon communications with respect to claims  
9 arising under an insurance policy. A.R.S. § 20-461(A)(2).

10 6. Respondent's conduct, as alleged above, constitutes a violation of the requirement that every  
11 insurer, upon receipt of any inquiry from the Department, shall, within fifteen working days of receipt,  
12 furnish the Department with an adequate response to the inquiry. Arizona Administrative Code R20-6-  
13 801(E)(2).

14 7. Grounds exist for the Director to impose a civil penalty of not more than five thousand dollars  
15 (\$5,000.00) for each intentional act or violation but not to exceed an aggregate penalty of fifty thousand  
16 dollars (\$50,000.00) in any six-month period. A.R.S. § 20-456(B).

17 ORDER

18 IT IS ORDERED:

19 8. Respondent shall immediately pay a civil money penalty in the amount of **seventeen**  
20 **thousand five hundred dollars (\$17,500.00)**.

21 9. Respondent shall provide to the Department all requested documents and information within  
22 15 days upon the filed date off this Consent Order.

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**CONSENT TO ORDER**

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2           1.       Respondent acknowledges that it has been served with a copy of the foregoing Consent  
3 Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this  
4 matter and has knowingly and voluntarily waived that right.

5           2.       Respondent accepts the personal and subject matter jurisdiction of the Department over  
6 it in this matter.

7           3.       Respondent acknowledges that no promise of any kind or nature has been made to induce  
8 it to sign the Consent to Order and it has done so knowingly and voluntarily.

9           4.       Respondent acknowledges and agrees that the acceptance of this Consent to Order by the  
10 Director is solely to settle this matter and does not preclude the Department from instituting other  
11 proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language  
12 in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer  
13 or political subdivision of this state from instituting proceedings, investigating claims, or taking legal  
14 action as may be appropriate now or in the future relating to this matter or other matters concerning  
15 Respondent, including but not limited to violations of Arizona’s Consumer Fraud Act. Respondent  
16 acknowledges that, other than with respect to the Department, this Consent Order makes no  
17 representations, implied or otherwise, about the views or intended actions of any other state agency or  
18 officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

19           5.       Respondent acknowledges and agrees that failure to correct the violations set forth above  
20 in this Consent Order, or any repeat findings of the above violations in the future, can result in  
21 disciplinary action which may include a greater civil money penalty and suspension or revocation of its  
22 license.

1           6.       Brian Tretter represents that he is the Secretary of Home Warranty Administrator of  
2 Arizona, Inc., dba Choice Home Warranty and, as such, is authorized to enter this Consent Order on its  
3 behalf.

4                               Home Warranty Administrator of Arizona, Inc.  
5                               dba Choice Home Warranty

6                                       *Brian Tretter*

7       \_\_\_\_\_  
8 Date       February 1, 2023

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10 Brian Tretter, Secretary

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1 **ORIGINAL** of the foregoing filed  
this 2nd day of February, 2023, in the office of:

2  
3 Shane Foster, Acting Director  
4 Arizona Department of Insurance and Financial Institutions  
5 Attn: Ana Starcevic, Paralegal  
6 100 North 15<sup>th</sup> Avenue, Suite 261  
7 Phoenix, Arizona 85007  
8 [Ana.Starcevic@difi.az.gov](mailto:Ana.Starcevic@difi.az.gov)

9 **COPY** of the foregoing delivered and/or emailed same date to:

10 Deian Ousounov, Assistant Director  
11 Gio Espinosa, Regulatory Legal Affairs Officer  
12 Kurt Regner, Assistant Director  
13 Maria Alior, Assistant Director  
14 Noelani Rosato, Consumer Services Supervisor  
15 Ana Starcevic, Paralegal  
16 Arizona Department of Insurance and Financial Institutions  
17 100 North 15th Avenue, Suite 261  
18 Phoenix, AZ 85007

19 **COPY** of the foregoing transmitted electronically the same date to:

20 Home Warranty Administrator of Arizona, Inc. dba  
21 Choice Home Warranty  
22 Attn: James Mostofi, President  
23 2147 Route 27 South, 4th Floor  
24 Edison, NJ 08817  
25 info@homewarrantyadministrators.com  
Respondent

*Ana Starcevic*