


DEC 2 2011

DEPT OF INSURANCE
BY 

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:)	
)	No. 11A-145-INS
INHOUSE HOME WARRANTY, INC.,)	
and KUCHYNKA, BROCK)	ORDER TO CEASE
)	AND DESIST
Respondents.)	

The Arizona Department of Insurance ("Department") has received evidence that Respondents have unlawfully offered or issued service contracts in the State of Arizona and engaged in unfair trade practices. Accordingly, the Director of Insurance of the State of Arizona (the "Director") makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. §§ 20-1095.09(B).

FINDINGS OF FACT

1. InHouse Home Warranty, Inc. ("InHouse") is an Arizona corporation that is not in good standing with the Arizona Corporation Commission. InHouse issues service contracts to Arizona residents. InHouse held a permit with the Department as a service company which expired on December 31, 2009.

2. InHouse's address of record with the Department is: 9035 E. Pima Center Parkway, Suite 9, Scottsdale, Arizona 85258.

3. Brock Kuchynka ("Kuchynka") is InHouse's sole Director.

4. InHouse holds an Arizona Registrar of Contractor K-39 license for Air Conditioning, Refrigeration and Heating, License Number 248325.

5. On February 25, 2009, the Department filed an Order Summarily Suspending Service Company Permit and Notice of Opportunity for Hearing, In the Matter of InHouse Home Warranty, Inc., Docket No. 09A-017-INS ("Order"). The Order suspended InHouse's permit for failure to maintain its statutorily required surety bond. The Department sent the

1 Order by certified mail, return receipt requested, to both InHouse and Kuchynka. The Post
2 Office returned signed green cards from both InHouse and Kuchynka.

3 5. InHouse failed to appeal the Order.

4 6. Because InHouse failed to renew its permit, it expired on December 31, 2009.

5 7. InHouse is not exempt from the permit requirement.

6 **UNLICENSED ACTIVITY**

7 **RYAN COMPLAINT**

8 8. On or about October 1, 2009, InHouse issued a home warranty service
9 contract to Jessica Ryan ("Ryan"). On October 26, 2011, Ryan filed a Complaint with the
10 Department stating that she filed a claim for repair of her air conditioning unit and was
11 getting no response from InHouse.

12 **GORDON COMPLAINT**

13 9. On or about March 13, 2010, InHouse issued a two-year home warranty
14 service contract to Elaine Gordon ("Gordon"). Gordon made two payments on the contract
15 totaling \$900. On November 2, 2011, Gordon filed a Complaint with the Department stating
16 that InHouse failed to repair her refrigerator and failed to return her calls over a four week
17 period.

18 **JONES COMPLAINT**

19 10. On or about November 20, 2010, InHouse issued a home warranty service
20 contract to Dennis Jones ("Jones") on four homes. Jones made payments on the contract
21 totaling \$2,000. On November 1, 2011, Dennis Jones ("Jones") filed a complaint with the
22 Department stating that he had contacted InHouse on October 15, 2011 for repair to an
23 oven. On October 19, 2011, InHouse called Jones and told him to expect a call from Valley
24 Wide Appliance. Since that time, Jones has not received any repairs on the oven and
25 repeated attempts to contact InHouse have failed.

26 ...

1 **BOHNEN COMPLAINT**

2 11. On or about May 16, 2011, Robert Bohnen ("Bohnen") purchased a home
3 warranty service contract from InHouse. Bohnen paid \$775 for the contract. On October
4 27, 2011, Bohnen filed a Complaint with the Department stating that InHouse failed to
5 cover repairs to his air conditioning unit.

6 **AYRES COMPLAINT**

7 12. On or about July 8, 2011, InHouse issued a home warranty service contract
8 to Joann Ayres ("Ayres"). Ayres paid \$460 for the contract. On October 26, 2011, Ayres
9 filed a Complaint with the Department stating that InHouse failed to repair her clothes dryer
10 and failed to return her calls.

11 **BRASHEAR COMPLAINT**

12 13. On or about October 19, 2011, InHouse issued a home warranty service
13 contract to Kenneth Brashear ("Brashear"). Brashear paid \$425 for the contract. On
14 November 14, 2011, Brashear filed a Complaint with the Department stating that InHouse
15 went out of business two weeks after he paid his payment which he would like refunded.

16 **BRYZELAK COMPLAINT**

17 14. On or about July 13, 2011, InHouse issued a home warranty service contract
18 to Desiree Bryzelak ("Bryzelak"). Bryzelak paid \$350 for the contract. On November 17,
19 2011, Bryzelak filed a Complaint with the Department stating that InHouse went out of
20 business and hasn't had a bond since 2009. Bryzelak requested that InHouse return her
21 payment.

22 **CARLSON COMPLAINT**

23 15. On or about June 30, 2011, InHouse issued a home warranty service contract
24 to Dwight Carlson ("Carlson"). Carlson paid \$475 for the contract. On November 14, 2011,
25 Carlson filed a Complaint with the Department stating that InHouse failed to return his
26 payment when he cancelled his contract on August 4, 2011.

1 **DEMPSEY COMPLAINT**

2 16. On or about June 12, 2011, InHouse issued a home warranty service contract
3 for two homes to James Dempsey ("Dempsey"). Dempsey paid \$375 for each contract.
4 On November 11, 2011, Dempsey filed a Complaint with the Department stating that
5 InHouse failed to pay a claim of \$1500 for repairs to the air conditioning unit of one of the
6 homes and requesting return of the payment on both policies.

7 **GANT COMPLAINT**

8 17. On or about August 1, 2011, InHouse issued a home warranty service
9 contract to Asina Gant ("Gant"). Gant paid two installments of \$82.50 for the contract. On
10 October 20, 2011, InHouse refunded one of the installments for \$82.50. On November 15,
11 2011, Gant filed a Complaint with the Department stating that InHouse had gone out of
12 business and seeking return of the remaining \$82.50 payment she paid.

13 **HERNDON COMPLAINT**

14 18. On or about November 3, 2011, InHouse issued a home warranty service
15 contract to Barbara Herndon ("Herndon"). Herndon paid \$389 for the contract. On
16 November 10, 2011, Herndon filed a Complaint with the Department stating that InHouse
17 had gone out of business and seeking refund of the payment paid.

18 **LOWY COMPLAINT**

19 19. On or about November 10, 2011, Gary Lowy filed a Complaint with the
20 Department stating that InHouse had gone out of business and seeking refund of payment
21 paid on 6 contracts and an APS rebate for work done on an air-conditioning unit. Lowy
22 renewed and made payments (total of \$1,458.17) for the following contracts:

23 On January 1, 2011 - \$375 due - \$312.50 paid

24 On January 1, 2011 - \$450 due - \$375.00 paid

25 On June 3, 2011 - \$425 due - \$177.06 paid

26 On June 3, 2011 - \$475 due - \$197.87 paid

1 On June 3, 2011 - \$475 due - \$197.87 paid

2 On June 3, 2011 - \$475 due - \$197.87 paid

3 Lowy is seeking refund of payments in the amount of \$1,216.83 and an APS rebate
4 in the amount of \$150 for a total refund of \$1,391.83.

5 **PRATT COMPLAINT**

6 20. On or about March 10, 2011, InHouse issued a home warranty service
7 contract to Melisa Pratt ("Pratt"). Pratt paid \$375 for the contract. On November 18, 2011,
8 Pratt filed a Complaint with the Department stating that when she tried to call InHouse for
9 repair of her hot water heater, she could not contact anyone and seeking return of the
10 payment she paid for the contract.

11 **RODRIGUEZ COMPLAINT**

12 21. On or about August 22, 2011, InHouse issued a home warranty service
13 contract to Ralph Rodriguez ("Rodriguez"). Rodriguez paid \$375 for the contract. On
14 November 15, 2011, Rodriguez filed a Complaint with the Department stating that InHouse
15 had gone out of business and seeking return of his payment.

16 **STARK COMPLAINT**

17 22. On or about April 28, 2011, InHouse issued a home warranty service contract
18 to Martin Stark ("Stark"). Stark paid a total of \$950 (\$575 and \$375) in payments for two
19 contracts. On November 14, 2011, Stark filed a Complaint with the Department stating that
20 InHouse had gone out of business and seeking return of \$420 in payments.

21 **HALL COMPLAINT**

22 23. On or about July 22, 2011, InHouse issued a home warranty service contract
23 to Jayme Hall ("Hall"). Hall paid \$475 for the contract. On November 23, 2011, Hall filed a
24 Complaint with the Department stating that when he tried to report a claim to InHouse he
25 could not contact anyone at the company. Hall requested return of his payment.
26

1 **UNFAIR TRADE PRACTICES**

2 **KOSOWAN COMPLAINT**

3 24. On or about January 29, 2007, InHouse issued a five-year home warranty
4 service contract to Gary Kosowan ("Kosowan"). Kosowan paid \$730 for the contract. On
5 October 31, 2011, Kosowan filed a Complaint with the Department stating that InHouse
6 failed to repair his water taps and failed to return his calls.

7 **HERTER COMPLAINT**

8 25. On or about July 14, 2008, InHouse issued a four-year warranty service
9 contract to Nancy Herter ("Herter"). Herter paid \$395 for the contract. On October 27,
10 2011, Herter filed a Complaint with the Department stating that InHouse failed to repair a
11 dishwasher on rental property owned by Herter and failed to return her calls.

12 **GORDON COMPLAINT**

13 26. On or about June 12, 2008, InHouse issued a warranty service contract to
14 Mark Gordon ("Gordon"). Gordon paid \$655 for the contract (which was renewed on June
15 12, 2009 for \$680, on June 12, 2010 for \$680 and on June 12, 2011 for \$542), On October
16 26, 2011, Gordon filed a Complaint with the Department stating that InHouse made
17 misrepresentations regarding licensed contractors, failed to adequately repair his irrigation
18 system, pool equipment, energy recovery ventilator ("ERV"), refrigerator and failed to return
19 his calls.

20 **CONCLUSIONS OF LAW**

21 1. The Director has jurisdiction over this matter.

22 2. Respondents' conduct, as alleged above, constitutes offering and issuing
23 service contracts without a permit, within the meaning of A.R.S. § 20-1095.01(A).

24 3. InHouse is not exempt from the permit requirement, within the meaning of
25 A.R.S. § 20-1095.02(A).
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3 Phoenix, Arizona 85018

4 Arizona Registrar of Contractors
5 Licensing Division
6 3838 North Central Ave., Suite 400
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9 Curvey Walters Burton
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