

FILED

JUL 18 2016

OFFICE OF
INSURANCE REGULATION

Docketed by: S.P.C.



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 176137-15

NUMBER1WARRANTY
_____ /

FINAL ORDER TO CEASE AND DESIST

THIS MATTER came on before the undersigned Insurance Commissioner of the State of Florida for consideration and final agency action, who having considered the record in this case and being fully advised of the premises, finds and orders as follows:

1. On August 20, 2015 an Order to Cease and Desist (hereinafter the "Order") was issued by the OFFICE OF INSURANCE REGULATION (hereinafter "OFFICE") notifying NUMBER1WARRANTY that it was engaging in the unlicensed business of a motor vehicle service agreement company and home warranty association in the state of Florida, in violation of the Florida Insurance Code.

2. Service of the Order was attempted by U.S. Certified Mail to NUMBER1WARRANTY's last known address. Service at this mailing address was unsuccessful.

3. Pursuant to Section 120.60(5), Florida Statutes, notice was published in the county of NUMBER1WARRANTY's last known address once each week for four consecutive weeks.

4. There has been no request for a proceeding to challenge or contest the action taken by the Office.

5. The Office has jurisdiction over NUMBER1 Warranty for purposes of this action.

IT IS HEREBY ORDERED:

6. The findings of fact and conclusions of law contained in the August 20, 2015 Order are hereby **ADOPTED** and **INCORPORATED** into this Final Order to Cease and Desist.

7. NUMBER1WARRANTY, whether acting in the state of Florida as a motor vehicle service agreement company or home warranty association, or otherwise engaging in motor vehicle service agreement or home warranty business, either directly or indirectly through named or unnamed persons, successor companies, entities or agents, shall forthwith **CEASE AND DESIST** from engaging in motor vehicle service agreement or home warranty business in the state of Florida or with Florida consumers, including individuals, businesses, and state or local government agencies. However, regardless of the ongoing prohibition against engaging in motor vehicle service agreement or home warranty business in the state of Florida, NUMBER1WARRANTY shall pay any and all valid claims or otherwise fully service any and all agreements executed in the state of Florida or issued to any Florida consumer.

DONE AND ORDERED this 18 day of July, 2016.



David Altmaier
DAVID ALTMAIER
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla. R. App. P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel, for the OFFICE of Insurance Regulation, acting as the Agency Clerk, at 612 Larson Building, Tallahassee, Florida, 32399 and filing a copy of the same with the appropriate District Court of Appeal within thirty (30) days of rendition of this Order.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Final Order to Cease and Desist has been sent by Certified Mail this 18 day of July, 2016, to:

NUMBER1 WARRANTY
560 Sylvan Avenue, Suite 302
Englewood Cliffs, New Jersey 07632



Monica T. Ross
Fla. Bar No.: 0056988
Chief Assistant General Counsel
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-4206
Telephone: 850-413-4159
Fax: 850-922-2543



FILED

AUG 20 2015

OFFICE OF INSURANCE REGULATION

OFFICE OF
INSURANCE REGULATION

Docketed by: SPD

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 176137-15

NUMBER1WARRANTY
_____ /

CEASE AND DESIST ORDER

TO:

Number1 Warranty
560 Sylvan Avenue, Suite 302
Englewood Cliffs, New Jersey 07632

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code, the STATE OF FLORIDA OFFICE OF INSURANCE REGULATION (the "OFFICE") has caused an investigation to be made of the business activities of NUMBER1WARRANTY. Pursuant to Sections 624.307, 626.901, 634.021, 634.031, 634.284, 634.285, 634.302, 634.337, 634.338, and 634.339 Florida Statutes, the OFFICE intends to enter a Final Order requiring NUMBER1WARRANTY to cease and desist from engaging in the unlicensed business of a motor vehicle service agreement company and home warranty association in the state of Florida. As grounds therefore, the OFFICE alleges that:

1. The OFFICE has jurisdiction over the subject matter hereof and parties to this proceeding.
2. NUMBER1WARRANTY's business address is 560 Sylvan Avenue, Suite 302, Englewood Cliffs, New Jersey 07632.

3. NUMBER1WARRANTY is not registered to do business in Florida.
4. NUMBER1WARRANTY has not been granted a license to act as a motor vehicle service agreement salesperson or a home warranty sales representative by the Florida Department of Financial Services.
5. NUMBER1WARRANTY has never been granted a license to act as a motor vehicle service agreement company or home warranty association in the state of Florida.
6. NUMBER1WARRANTY operates from the same business address as Stanley Warranty, LLC a/k/a Stanley Safe Club (hereinafter "Stanley"), a New Jersey limited liability company.
7. Stan Mankovsky a/k/a Stanislav Mankovsky a/k/a Stanley Mankovsky (hereinafter "Mankovsky") is the owner and/or managing member of Stanley.
8. According to Mankovsky, NUMBER1WARRANTY is an affiliate of Stanley.
9. On December 18, 2014, the OFFICE issued a Final Order to Cease and Desist against Stanley, ordering the company to cease and desist from engaging in the unauthorized business of a home warranty association in the state of Florida.
10. NUMBER1WARRANTY offers auto protection contracts covering the costs of automobile repairs via its website, www.number1warranty.com.
11. The auto club plans include "Ultimate Coverage," "Deluxe Coverage," "Powertrain Coverage," "Powertrain Plus Coverage," and "Powertrain Choice Coverage."
12. The plans offer various coverages for automobile parts including, but not limited to: engine, transmission, transfer case, drive axles, steering, fuel system, seals and gaskets, cooling, a/c and heating, suspension, brake, and electrical components.
13. NUMBER1WARRANTY's website includes a notice stating "Vehicle Nationwide Coverage is available in all states except California."

14. NUMBER1WARRANTY is not appointed by a Florida-licensed motor vehicle service agreement company.

15. Section 634.011(8), Florida Statutes, provides, in relevant part:

“Motor vehicle service agreement” or “service agreement” means any contract or agreement indemnifying the service agreement holder for the motor vehicle listed on the service agreement and arising out of the ownership, operation, and use of the motor vehicle against loss caused by failure of any mechanical or other component part, or any mechanical or other component part that does not function as it was originally intended; however, nothing in this part shall prohibit or affect the giving, free of charge, of the usual performance guarantees by manufacturers or dealers in connection with the sale of motor vehicles. Transactions exempt under s. 624.125 are expressly excluded from this definition and are exempt from the provisions of this part.

16. Section 634.031(1), Florida Statutes, provides that:

A person may not transact, administer, or market, attempt to transact, administer, or market, or in any manner hold itself out as transacting, administering, or marketing the service agreement business, on behalf of herself or himself or itself, in this state or from this state unless it is authorized to do so under a subsisting license issued to it by the office.

17. Section 634.171, Florida Statutes, provides, in relevant part, that “[s]alespersons for motor vehicle service agreement companies and insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated as prescribed in chapter 626 for insurance representatives in general.”

18. It is further alleged that NUMBER1WARRANTY offers contracts covering repair and/or replacement costs of home appliances and home systems via its website, www.number1warranty.com.

19. NUMBER1WARRANTY’s home plans include “Gold,” “Silver,” “Platinum,” and “Systems” plans.

20. The plans offer various coverages for home appliances including, but not limited to: range, oven, cook top, stove, refrigerator, dishwasher, built-in microwave, trash compactor, washers, dryers, hot water heater, central a/c system, furnace and heating, telephone wiring, interior electric, hot water dispenser, interior plumbing, and ductwork.

21. Section 634.301(2), Florida Statutes, provides, in relevant part:

“Home warranty” or “warranty” means any contract or agreement whereby a person undertakes to indemnify the warranty holder against the cost of repair or replacement, or actually furnishes repair or replacement, of any structural component or appliance of a home, necessitated by wear and tear or an inherent defect of any such structural component or appliance or necessitated by the failure of an inspection to detect the likelihood of any such loss.

22. Section 634.301(3), Florida Statutes, provides that “[h]ome warranty association” means any corporation or any other organization, other than an authorized insurer, issuing home warranties.”

23. Section 634.303(1), Florida Statutes, provides, in relevant part, that “[n]o person in this state shall provide or offer to provide home warranties unless authorized therefor under a subsisting license issued by the office.”

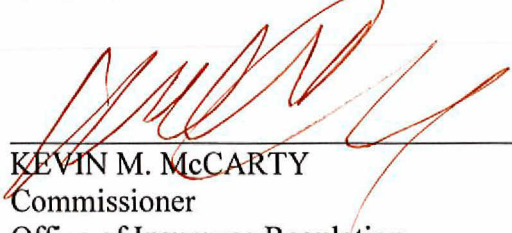
24. Section 634.318, Florida Statutes, provides, in relevant part, that “[s]ales representatives for home warranty associations and insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated in the same manner as prescribed in chapter 626 for insurance representatives in general...”

25. Despite not being licensed to do business as a motor vehicle service agreement company or a home warranty association, or being appointed by a licensed motor vehicle service agreement company or home warranty association, NUMBERIWARRANTY markets, offers to provide, and/or provides its auto protection plans and home warranty plans to Florida consumers via its website.

WHEREFORE, because NUMBER1WARRANTY offers motor vehicle service agreements and home warranties to Florida consumers, it is in violation of Sections 634.031 and 634.303, Florida Statutes, and the OFFICE intends to issue an Order requiring NUMBER1WARRANTY to cease and desist from engaging in the unlawful transaction of motor vehicle service agreements and home warranties in the state of Florida.

DONE AND ORDERED this 20TH day of AUGUST, 2015.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Cease and Desist Order has been furnished by U.S. Certified Mail this 20th day of August, 2015 to:

Number1 Warranty
560 Sylvan Avenue: Suite 302
Englewood Cliffs, NJ 07632



Monica T. Ross
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