

FILED

DEC 30 2020

INSURANCE REGULATION

Docketed by: *JH*



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 274425-20-CO

Application for the Indirect Acquisition of
HOME WARRANTY OF AMERICA, INC., D/B/A HOME
WARRANTY OF AMERICA, INC. - CALIFORNIA by
NRG ENERGY, INC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for approval of the proposed indirect acquisition of 100% of the issued and outstanding voting securities of HOME WARRANTY OF AMERICA, INC., D/B/A HOME WARRANTY OF AMERICA, INC. - CALIFORNIA (“HOME WARRANTY”) by NRG ENERGY, INC. (“APPLICANT”), pursuant to Section 628.4615, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all conditions precedent to the granting of approval by the OFFICE of the proposed indirect acquisition of 100%

of the issued and outstanding voting securities of HOME WARRANTY by APPLICANT, pursuant to the requirements of the Florida Insurance Code.

3. HOME WARRANTY is a California corporation licensed as a Home Warranty Association and as a Service Warranty Association that is operating pursuant to Chapter 634, Parts II and III, Florida Statutes, and, as such, is subject to the jurisdiction and regulation of the OFFICE, pursuant to the Florida Insurance Code.

4. HOME WARRANTY is 100% owned by HOME WARRANTY OF AMERICA, INC. (“HWA, INC.”), an Illinois specialty insurer; which is 100% owned by Home Warranty Holding Corp., an Illinois holding company; which is 100% owned by RSG Holding Corp., an Ohio industrial service corporation; which is 100% owned by CENTRICA US HOLDINGS, INC. (“CENTRICA US”), a Texas holding company; which is 100% owned by CENTRICA PLC, a public energy services company domiciled in the United Kingdom and organized under the laws of England and Wales.

5. APPLICANT is Delaware energy corporation whose stock is registered with United States Securities and Exchange Commission (“SEC”) and traded on the New York Stock Exchange under the symbol “NRG”. The Application represents that The Vanguard Group, Inc. (“Vanguard”), holds 11.94% of APPLICANT’s issued and outstanding common stock, which was acquired in the ordinary course of business and not for the purpose of influencing control of the issuer, pursuant to the Schedule 13-G filing by Vanguard with the SEC. APPLICANT has no other 10% or greater shareholders.

6. The Application represents that on July 24, 2020, APPLICANT, CENTRICA PLC, and CENTRICA US entered into a Purchase Agreement (“Agreement”), which is scheduled to be finalized on January 5, 2021. Pursuant to the Agreement, APPLICANT agreed to purchase 100%

of the issued and outstanding shares of CENTRICA US from CENTRICA PLC for an agreed-upon purchase price of \$3.625 billion United States Dollars (“Transaction”). Upon completion of the Transaction, CENTRICA US will be the wholly owned subsidiary of APPLICANT and HOME WARRANTY will be APPLICANT’s indirect subsidiary.

7. APPLICANT has provided a Disclaimer of Control Affidavit certifying that, other than David Callen, Christopher Krupa, Elizabeth Killinger, Glen Mackey, and Gaetan Frotte, no other person associated with APPLICANT does or will exercise any control, either directly or indirectly, over the activities of HOME WARRANTY, or any other entity owned or controlled by HOME WARRANTY and licensed by the OFFICE. Further, no person affiliated with APPLICANT other than David Callen, Christopher Krupa, Elizabeth Killinger, Glen Mackey, and Gaetan Frotte will attempt to exercise any control, either directly or indirectly, over the activities of HOME WARRANTY, or any other entity owned or controlled by HOME WARRANTY and licensed by the OFFICE, without the advance written consent of the OFFICE.

8. APPLICANT, CENTRICA US, HWA, INC., and HOME WARRANTY have made material representations that, except as disclosed in the Application, none of the individuals who will exercise control, either directly or indirectly, over HOME WARRANTY subsequent to the Transaction have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or misdemeanor, other than a civil traffic offense.

9. APPLICANT shall submit, or cause to be submitted, to the OFFICE all outstanding background information, including biographical affidavits, background investigation reports, and fingerprint cards for all officers and directors that are required as part of this Application within 90 days of execution of this Consent Order.

10. If the OFFICE determines that any individual for whom APPLICANT, CENTRICA US, HWA, INC., or HOME WARRANTY is required to submit complete background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, CENTRICA US, HWA, INC., or HOME WARRANTY shall remove said person within 30 days of receipt of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may administrative action as it deems appropriate upon the licenses of HOME WARRANTY without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

11. APPLICANT, CENTRICA US, HWA, INC., and HOME WARRANTY represent that, except as disclosed in the Application, there are no present plans or proposals to make any substantive changes to the Plan of Operation of HOME WARRANTY, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations.

12. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review during the pendency of the closing of the Transaction. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY acknowledge that if the OFFICE determines that any of these reported changes would have a material negative impact to the financial condition or operation of HOME WARRANTY, the OFFICE may rescind its approval as granted in the Consent Order by written notice to APPLICANT or HOME WARRANTY.

13. All parties to this Consent Order agree that this Consent Order shall be deemed null and void the Transaction is not completed, or any other requisite regulatory approvals are not obtained, within 60 days of execution of the Consent Order.

14. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of said Transaction not previously provided to the OFFICE. Further, APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., or HOME WARRANTY shall notify the OFFICE within 3 business days of the final determination that the Transaction will not occur.

15. All parties to this Consent Order acknowledge that consummation of the Transaction is subject to obtaining all appropriate regulatory approvals in addition to satisfying other terms and conditions of the Agreement. Accordingly, if APPLICANT fails to receive any other requisite regulatory approvals, the provisions of this Consent Order shall terminate automatically and have no effect.

16. Any prior orders, consent orders, or corrective action plans that HOME WARRANTY has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for HOME WARRANTY, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

17. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions,

agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of HOME WARRANTY. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY further agree and affirm that said explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

18. HOME WARRANTY shall report to the OFFICE, Property & Casualty Financial Oversight, any time that it is named as a party defendant in a class action lawsuit within 15 days after the class is certified. HOME WARRANTY shall include a copy of the complaint at the time the class action lawsuit is reported to the OFFICE.

19. HOME WARRANTY shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. HOME WARRANTY agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. HOME WARRANTY further agrees that it shall notify the OFFICE within 5 business days of identifying a data breach.

20. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. HOME WARRANTY shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with those individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>.

21. Within 60 days of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all of the

requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

22. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

23. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY also hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

24. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY affirm that all requirements set forth herein are material to the issuance of this Consent Order.

25. APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon

the licenses of HOME WARRANTY in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

26. Each party to this action shall bear its own costs and fees.

27. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signatures of the authorized representatives of APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT, CENTRICA PLC, CENTRICA US, HWA, INC., and HOME WARRANTY agree that the signatures of their authorized representatives as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the indirect acquisition of 100% of the issued and outstanding voting securities of HOME WARRANTY OF AMERICA, INC., D/B/A HOME WARRANTY OF AMERICA, INC. – CALIFORNIA by NRG ENERGY, INC., pursuant to Section 628.4615, Florida Statutes, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 30 day of December, 2020.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, NRG ENERGY, INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind NRG ENERGY, INC., to the terms and conditions of this Consent Order.

NRG ENERGY, INC.

By: Brian E. Curci

[Corporate Seal]

Print Name: Brian R. Curci

Title: Senior Vice President & General Counsel

Date: December 23, 2020

STATE OF New Jersey

COUNTY OF Mercer

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 23rd day of December 2020, by Brian R. Curci
(name of person)

as Senior Vice President & Genral Counsel for NRG Energy, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

Maria G. DeLuca

(Signature of the Notary)

Maria G. DeLuca

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires September 12, 2021

Maria G. DeLuca
Notary Public
State of New Jersey
ID#: 50045588

By execution hereof, the various entities of CENTRICA PLC consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind CENTRICA PLC to the terms and conditions of this Consent Order.

CENTRICA PLC Raj Roy
By: _____

[Corporate Seal]

Print Name: Raj Roy

Title: General Counsel

Date: 12/28/2020

CITY OF Richmond

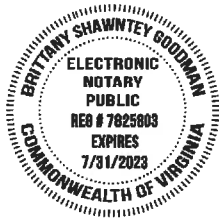
COUNTY OF Richmond

COUNTRY OF United States

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Raj Roy
(name of person)

as General Counsel for Centrica PLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Brittany Shawntey Goodman
(Signature of the Notary)

Brittany Shawntey Goodman
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification

Type of Identification Produced International Passport

My Commission Expires 07/31/2023

By execution hereof, CENTRICA US HOLDINGS, INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind CENTRICA US HOLDINGS, INC., to the terms and conditions of this Consent Order.

CENTRICA US HOLDINGS, INC.

By: 

[Corporate Seal]

Print Name: Bruce Stewart

Title: Co-President

Date: 12/28/2020

STATE OF Ohio

COUNTY OF Lake

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Bruce Stewart
(name of person)

as Co-President for Centrica US Holdings, INC
(type of authority, e.g., officer, trustee, attorney in fact) (company name)



Sharnise D Sears
Signed on 20201228 14:51:59 -0000
(Signature of the Notary)

Sharnise D Sears
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification ✓

Type of Identification Produced _____

My Commission Expires 08/04/2025

0054AAA2-E3CF-4BEC-AF2D-110A0FD3F242 --- 2020/12/28 10:18:46 -8:00 --- Remote Notary



By execution hereof, HOME WARRANTY OF AMERICA, INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HOME WARRANTY OF AMERICA, INC., to the terms and conditions of this Consent Order.

HOME WARRANTY OF AMERICA, INC.

By: 
Signed on 2020/12/28 14:51:59 -8:00

[Corporate Seal]

Print Name: Bruce Stewart

Title: President

Date: 12/28/2020

STATE OF Ohio

COUNTY OF Lake

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 28th day of December 2020, by Bruce Stewart
(name of person)

as President for Home Warranty Of America, Inc
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Sharnise D Sears
Signed on 2020/12/28 14:51:59 -8:00
(Signature of the Notary)

Sharnise D Sears
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification ✓

Type of Identification Produced _____

My Commission Expires 08/04/2025



By execution hereof, HOME WARRANTY OF AMERICA, INC., D/B/A HOME WARRANTY OF AMERICA, INC. - CALIFORNIA consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HOME WARRANTY OF AMERICA, INC., D/B/A HOME WARRANTY OF AMERICA, INC. - CALIFORNIA to the terms and conditions of this Consent Order.

HOME WARRANTY OF AMERICA, INC., D/B/A HOME WARRANTY OF AMERICA, INC. - CALIFORNIA

By: 
Signed on 2020/12/29 08:15:30 -8:00

[Corporate Seal]

Print Name: Bruce Stewart

Title: President

Date: 12/29/2020

STATE OF Ohio

COUNTY OF Lake

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 29th day of December 2020, by Bruce Stewart
(name of person)

as President for Home Warranty Of America, Inc., D/B/A Home Warranty Of America, INC. - California
(type of authority; e.g., officer, trustee, attorney in fact) (company name)




Signed on 2020/12/29 08:15:30 -8:00
(Signature of the Notary)

Sharnise D Sears
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification

Type of Identification Produced Drivers License

My Commission Expires 08/04/2025



COPIES FURNISHED TO:

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