

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 25, 2014
SCC-CLERK'S OFFICE
AGENT CONTROL CENTER
2014 SEP 25 P 1: 24

14094 0020

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2014-00206

NATIONWIDE PROPERTY AND CASUALTY
INSURANCE COMPANY
and
NATIONWIDE MUTUAL FIRE INSURANCE
COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Nationwide Property and Casualty Insurance Company and Nationwide Mutual Fire Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Commonwealth"), violated §§ 38.2-305 A and 38.2-305 B of the Code of Virginia ("Code") by failing to provide the information required by the statute in the insurance policies; violated § 38.2-502 of the Code by misrepresenting the benefits, advantages, conditions or terms of insurance policies; violated § 38.2-511 of the Code by failing to have complete complaint registers; violated §§ 38.2-517 A, 38.2-604 A, 38.2-604 B, 38.2-604 C, 38.2-604.1, 38.2-610 A, 38.2-2126 A, 38.2-2210 A, and 38.2-2234 A of the Code by failing to accurately provide the required notices to insureds; violated § 38.2-1318 of the Code by failing to provide convenient access to the files, documents, and records relating to the examinations; violated § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants;

violated § 38.2-2103 of the Code by failing to indicate in the policies if the Defendants are a stock, mutual or reciprocal company; violated §§ 38.2-2113 C, 38.2-2114 A, 38.2-2114 B, 38.2-2114 C, 38.2-2212 D, and 38.2-2212 E of the Code by failing to properly terminate insurance policies; violated §§ 38.2-317 A and 38.2-2119 B of the Code by failing to file forms with the Bureau prior to use; violated § 38.2-2220 of the Code by failing to use the standard auto forms in the precise language filed and adopted by the Bureau; violated § 38.2-2234 B of the Code by failing to rate policies with proper credit information; violated § 38.2-2234 E of the Code by failing to obtain updated credit information; and violated §§ 38.2-510 A (1) and 38.2-510 A (3) of the Code, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, and 14 VAC 5-400-80 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.*, by failing to properly handle claims with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to the Commonwealth the sum of \$225,800, waived their right to a hearing, agreed to comply with the corrective action plan set forth in their letters to the Bureau dated June 11, 2014, and August 6, 2014, and confirmed that restitution was made to 62 consumers in the amount of \$12,547.81.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Cheryl Davis, Market Conduct Director, Nationwide Insurance, One Nationwide Plaza,
1-35-102, Columbus, Ohio 43215; and a copy shall be delivered to the Commission's Office of
General Counsel and the Bureau of Insurance in care of Deputy Commissioner Mary M.
Bannister.