

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, NOVEMBER 20, 2015

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2015-00148

NATIONWIDE LIFE INSURANCE COMPANY,  
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Nationwide Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") violated §§ 38.2-316 A, 38.2-316 B, and 38.2-316 C (1) of the Code of Virginia ("Code") by failing to comply with policy and form filing requirements; violated § 38.2-316.1 of the Code by failing to file premium rates for approval by the Commission; violated §§ 38.2-510 A (6) and 38.2-510 A (14) of the Code by failing to properly handle claims with such frequency as to indicate a general business practice, as well as 14 VAC 5-400-70 B and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.*, by failing to properly handle claims; violated § 38.2-3407.4 A of the Code by failing to comply with explanation of benefits requirements; and violated § 38.2-3451 A of the Code by failing to comply with essential health benefits coverage, as these sections pertain to student health insurance policy forms issued in Virginia for the 2014-2015 school year.

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 Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Sixteen Thousand Three Hundred Forty Dollars (\$16,340), waived its right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the Corrective Action Plan contained in the Bureau's letter dated August 27, 2015, as it pertains to student health insurance policy forms issued in Virginia for the 2014-2015 school year and subsequent school years.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant 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 Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendant shall cease and desist from future violations of §§ 38.2-316 A, 38.2-316 B, 38.2-316 C (1), 38.2-38.2-316.1, and 38.2-3451 A of the Code.
- (3) 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, Nationwide Life Insurance Company, Mail Code 1-35-102, One Nationwide  
Plaza, 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 Althelia P. Battle.

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