

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 14, 2003

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2003-00012

NATIONWIDE MUTUAL INSURANCE COMPANY,
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY,
NATIONWIDE GENERAL INSURANCE COMPANY,
NATIONWIDE ASSURANCE COMPANY,

Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it appears that Defendants, each of which is duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, violated the Code of Virginia and the Virginia Administrative Code as follows:

Nationwide Mutual Insurance Company violated §§ 38.2-305, 38.2-604, 38.2-1822, 38.2-1906 D, 38.2-2202, 38.2-2206 A, 38.2-2208, 38.2-2210, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-40 A of the Virginia

Administrative Code; Nationwide Mutual Fire Insurance Company violated §§ 38.2-304, 38.2-510 A 1, 38.2-604, 38.2-1318, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2124, 38.2-2202, 38.2-2208, 38.2-2210, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 D of the Virginia Administrative Code;

Nationwide General Insurance Company violated §§ 38.2-305, 38.2-

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604, 38.2-610, 38.2-1318, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2202, 38.2-2208, 38.2-2210, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 D of the Virginia Administrative Code; and Nationwide Assurance Company violated §§ 38.2-305, 38.2-1906 D, 38.2-2014, 38.2-2202, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220 and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A and 14 VAC 5-400-70 D of the Virginia Administrative Code.

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

Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants collectively have tendered to the Commonwealth of Virginia the sum of sixty-four thousand eighty dollars (\$64,080), waived their right to a hearing, and agreed to the entry by the Commission of a cease and desist order.

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

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

IT IS THEREFORE ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) Defendants cease and desist from any conduct which constitutes a violation of the Code of Virginia or the Virginia Administrative Code as follows: Nationwide Mutual Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305, 38.2-604, 38.2-1822, 38.2-1906 D, 38.2-2202, 38.2-2206 A, 38.2-2208, 38.2-2210, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30 or 14 VAC 5-400-40 A of the Virginia Administrative Code; Nationwide Mutual Fire Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-304, 38.2-510 A 1, 38.2-604, 38.2-1318, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2124, 38.2-2202, 38.2-2208, 38.2-2210, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30 or 14 VAC 5-400-70 D of the Virginia Administrative Code; Nationwide General Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305, 38.2-604, 38.2-610, 38.2-1318, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2202, 38.2-2208, 38.2-2210, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30 or 14 VAC 5-400-70 D of the Virginia Administrative Code; and Nationwide Assurance Company

cease and desist from any conduct which constitutes a violation of §§ 38.2-305, 38.2-1906 D, 38.2-2014, 38.2-2202, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220 or 38.2-2230 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A or 14 VAC 5-400-70 D of the Virginia Administrative Code; and

(3) The papers herein be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Charles Breitstdt, Director of Government Affairs, Nationwide Insurance, One Nationwide Plaza, 1-27-08, Columbus, Ohio 43215; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.