**IN THE MISSOURI DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION**

In Re: NATIONWIDE LIFE INSURANCE COMPANY SERFF TRACKING NUMBER NWLC-129407538	))))	**Case No. 140213196L**

ORDER DISAPPROVING FORM FILING

Upon review and consideration of the filing of Nationwide Life Insurance Company, SERFF Tracking Number NWLC-129407538, specifically Forms BSAS MO L20 000 1112 and BSAS MO L25 000 1112, the Director DISAPPROVES said forms for the reasons stated below.

FINDINGS OF FACT

1. John M. Huff is the Director of the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri ("Director" of the "Department").

2. Nationwide Life Insurance Company ("Nationwide"), NAIC Number 66869, is a foreign life and health insurance company organized pursuant to the laws of the state of Ohio and transacting insurance business in this state pursuant to a Certificate of Authority issued by the Director.

3. Pursuant to §376.405,[1] insurance companies licensed to transact business in this state may not deliver or issue for delivery in this state a policy of group accident or group health insurance unless the form has been approved.

4. The Division of Market Regulation (the "Division") is designated pursuant to §374.075 with the review of forms that are filed by insurance companies.

5. Nationwide filed policy forms with the Director via the System for Electronic Rate and Form Filing ("SERFF") on February 11, 2014. The SERFF Tracking Number is NWLC-129407538 ("Filing").

6. The Filing contains, in pertinent part, forms: BSAS MO L20 000 1112, identified as the Blanket Accident and Sickness Policy ("Group Policy") and BSAS MO L25 000 1112, identified as the Blanket Accident and Sickness Certificate ("Certificate").

7. On February 25, 2014, Nationwide amended the Filing and replaced the Group Policy and Certificate with amended forms. When referring to the

[1] All statutory citations are to RSMo (Supp. 2013).

Group Policy or Certificate, it is the replacement forms that are the subject of this Order.

8. Brackets ([...]) within a policy form reviewed by the Division indicate that the language within the brackets may be included or excluded from the policy form, or the brackets may indicate a numeric range.

9. Potentially, all benefits, coverages, or terms in brackets could be included in an issued policy form.

10. Conversely, all benefits, coverages, or terms in brackets could be excluded from an issued policy.

11. Nationwide filed this Group Policy within SERFF as a Student Blanket Accident and Sickness policy.

12. On pages 48 of both the Group Policy and Certificate under the sections titled General Provisions and the subsections titled Issuance of Certificates, the forms state:

> [We will issue a Certificate of Coverage to the Policyholder, for delivery to each Covered Person, setting forth a statement as to the insurance protection to which that person is entitled, to whom the insurance Benefits are payable, and a statement as to any Dependent coverage.] [A Certificate of Coverage setting forth a statement as to the insurance protection to which that person is entitled, to whom the insurance Benefits are payable, and a statement as to any Dependent coverage is available at [www.chpstudent.com].]

13. On pages 25 of both the Group Policy and Certificate under the sections titled Conditions of Insurance and the subsections Termination, the forms state:

> [We may not terminate the Policy before its first anniversary, unless the Policyholder does not perform its contractual duties.] [We may terminate coverage any time after the First Policy Term.] If We terminate the Policy, notice will be either mailed or delivered to the Policyholder at the last address on file with Us. A copy of such notice may also be sent to the Policyholder's agent, if any, at his or her last address on file with us. Termination will become effective on the date stated in the notice or the 31st day after we mail or deliver the notice, whichever is later.

CONCLUSIONS OF LAW

14. The Director shall approve only those policy forms that are in compliance with Missouri insurance laws, and "which contain such words, phraseology, conditions, and provisions which are specific, certain and unambiguous and reasonably adequate to meet needed requirements for the protection of those insured," pursuant to §376.405.

15. The Director may disapprove a form filed with the Department, and in doing so must state the reasons for the disapproval in writing, pursuant to §376.405.

Nationwide's Filing Does Not Substantively Provide All Provisions Required In a Group Policy Under Section 376.426

16. Section 376.426 states in relevant part:

> ***No policy of group health insurance*** shall be delivered in this state unless it contains in substance the following provisions, or provisions which … are more favorable…:
>
> * * *
>
> (7) ***A provision that the insurer shall issue to the policyholder, for delivery to each person insured, a certificate setting forth a statement as to the insurance protection to which that person is entitled***, to whom the insurance benefits are payable, and a statement as to any family member's or dependent's coverage;
>
> * * *
>
> (15) ***A provision specifying the conditions under which the policy may be terminated.*** Such provision shall state that except for nonpayment of the required premium or the failure to meet continued underwriting standards, ***the insurer may not terminate the policy prior to the first anniversary date of the effective date of the policy*** as specified therein, and a notice of any intention to terminate the policy by the insurer must be given to the policyholder at least thirty-one days prior to the effective date of the termination. Any termination by the insurer shall be without prejudice to any expenses originating prior to the effective date of termination. An expense will be considered incurred on the date the medical care or supply is received[.]

(Emphasis added.)

17. Neither Nationwide's Group Policy nor its Certificate is compliant with Missouri insurance laws. Under the sections titled General provisions and the subsections titled Issuance of Certificate, the forms provide the statutorily required provision notifying the insured that "[Nationwide] will issue a Certificate of Coverage to the Policyholder, for delivery to each Covered Person[;]" however, the provisions are bracketed, indicating that the language within the brackets may be included or excluded from the forms. Pursuant to §376.426(7), the provision is required to be substantively included within the forms and, thus, may not be bracketed. As such, the Group Policy and Certificate do not comply with the laws of this state as required by §376.405.

18. Neither Nationwide's Group Policy nor its Certificate is compliant with Missouri insurance laws. Under the sections titled Conditions of Insurance and the subsections Termination, the forms provide the statutorily required provision notifying the insured that Nationwide may not terminate the policy prior to the first anniversary date; however, the provision is bracketed, indicating that the language within the brackets may be included or excluded from the forms. Pursuant to §376.426(15), the provision is required to be substantively included within the forms and, thus, may not be bracketed. As such, the Group Policy and Certificate do not comply with the laws of this state as required by §376.405.

19. After review and consideration of the policy forms included in the Nationwide Filing, the company has failed to demonstrate its compliance with Missouri law as enumerated herein.

20. While there may be additional reasons as to why these forms do not comply with Missouri's insurance laws, the reasons stated herein are sufficient to disapprove the forms.

21. Each reason stated herein for disapproval of a policy form is a separate and sufficient cause to disapprove such form.

22. Nationwide's Group Policy and Certificate do not comply with Missouri law. As such, said forms are not in the public interest.

23. This Order is in the public interest.

IT IS THEREFORE ORDERED that Forms BSAS MO L20 000 1112 and BSAS MO L25 000 1112 are hereby **DISAPPROVED.** Nationwide Life Insurance Company is hereby prohibited from delivering or issuing for delivery any policies of group health insurance utilizing said forms.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED this 10th day of April, 2014.

JOHN M. HUFF
DIRECTOR

NOTICE

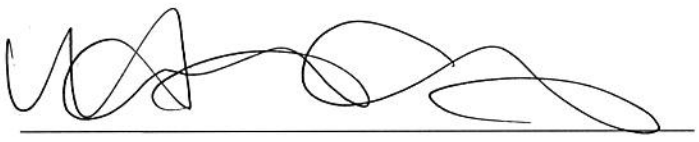
TO: Nationwide Life Insurance Company and any unnamed persons aggrieved by this Order:

You may request a hearing on the disapproval of these forms. You may do so by filing a pleading with the Director of the Department of Insurance, Financial Institutions and Professional Registration, P.O. Box 690, Jefferson City, MO 65102, within 30 days after the mailing of this notice pursuant to 20 CSR 800-1.030.

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of April, 2014, a copy of the foregoing Order and Notice was

Served via certified mail addressed to:

Kirt A. Walker
President
Nationwide Life Insurance Company
One Nationwide Plaza
Columbus, OH 43215

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