

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:)
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) **Market Conduct Investigation No. 416407**
)
NATIONWIDE MUTUAL
INSURANCE COMPANY
(NAIC #23787)

ORDER OF THE DIRECTOR

NOW, on this 27th day of January, 2025, Acting Director Mick Campbell, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”) and Nationwide Mutual Insurance Company (NAIC #23787) (hereinafter “NMIC”), relating to the market conduct investigation no. 416407, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 RSMo, is in the public interest.

IT IS THEREFORE ORDERED that the Director does hereby approve the Stipulation as agreed to by NMIC and the Division.

IT IS FURTHER ORDERED that NMIC shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, shall maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

¹ All references, unless otherwise noted, are to Revised Statutes of Missouri 2016.

IT IS FURTHER ORDERED that NMIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$500.00, payable to the Missouri State School Fund.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 27th day of January, 2025.




Mick Campbell
Acting Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:

**NATIONWIDE MUTUAL INSURANCE
COMPANY (NAIC #23787)**

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Market Conduct Investigation No. 416407

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and Nationwide Mutual Insurance Company (hereinafter “NMIC”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter the “Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, NMIC has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct investigation of NMIC, investigation no. 416407; and

WHEREAS, based on the market conduct investigation of NMIC the Division alleges that:

1. In one instance, NMIC did not notify an insured of the acceptance or denial of a claim within 15 working days after submission of all forms necessary to establish the nature and extent of the claim submitted implicating the provisions of §375.1007 (3)¹ and in violation of 20 CSR 100-1.050 (1) (A).

2. In one instance, NMIC did not notify the insured within 15 days of the initial notification of the claim and every 45 days thereafter of the reasons additional time was needed to investigate the claim

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

implicating the provisions of §375.1007 (3) and in violation of 20 CSR 100-1.050 (1) (C).

3. In one instance, NMIC did not provide a reasonable and accurate explanation, in writing, for the basis of a claim denial implicating the provisions of §375.1007 (12) and in violation of 20 CSR 100-1.050 (1) (A).

4. In one instance, NMIC refused to pay a claim without conducting a reasonable investigation implicating the provisions of §375.1007 (6).

5. In two instances, NMIC did not effectuate a prompt, fair, and equitable settlement where liability was reasonably clear implicating the provisions of §375.1007 (4).

6. In seven instances, NMIC did not include Missouri amendatory endorsement language in letters to its insureds in violation of §375.1007 (1), §375.1005 and 20 CSR 100-1.020 (1) (D)

7. In one instance, NMIC cited an incorrect timeframe regarding bringing suit against NMIC in a partial denial letter implicating the provisions of §375.1007 (1).

8. In one instance, NMIC incorrectly noted in a denial letter to an insured that under a vandalism exclusion, coverage was excluded if the property was vacant for 30 consecutive days implicating the provisions of §375.1007 (1) and in violation of 20 CSR 500-1.100 (1) (A).

WHEREAS, the Division and NMIC have agreed to resolve the issues raised in the market conduct investigation as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** NMIC agrees to take remedial action bringing it into compliance with

the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. NMIC agrees to ensure that its claim handling guidelines for adjudicating Missouri claims provide clear direction for adjusters to follow the requirements of §375.1007, 20 CSR 100-1.020 and 20 CSR 100-1.050.

2. NMIC agrees to ensure that Missouri amendatory endorsement language, where required, is included in letter templates to Missouri insureds.

C. **Compliance.** NMIC agrees to file documentation pursuant to § 374.190 with the Division, in a format acceptable to the Division, within 60 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** NMIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$500 (five hundred dollars), such sum payable to the Missouri State School Fund, in accordance with §§374.049.11 and 374.280.2, within fifteen (15) days of the date the Director of the Department (hereinafter "Director") signs the Order approving this Stipulation.

E. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by NMIC, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above referenced market conduct investigation.

F. **Waivers.** NMIC, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the market conduct investigation no. 416407.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in writing and agreed to by authorized representatives of the Division and NMIC.

H. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

I. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and NMIC, respectively.

J. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director approving this Stipulation.

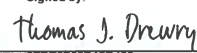
L. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: Jan. 21, 2025



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: 1/6/2025

Signed by:

0FDE8893D75D480
Name: Thomas J. Drewry
Title: Associate Vice President-Claims - Affluent
Nationwide Mutual Insurance Company