



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

Nationwide Life Insurance Company

April 28, 2020

The Market Conduct Division of the Connecticut Insurance Department examined by targeted review the market conduct practices of Nationwide Life Insurance Company using a sample period of January 1, 2018 through December 31, 2018. The targeted review was limited to Connecticut Annuity Insurance business.

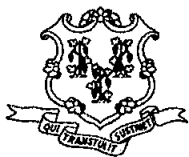
Nationwide Life Insurance Company has its home office in the State of Ohio. By authority granted under §38a-15 of the Connecticut General Statutes, this targeted review was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department offices in Hartford, Connecticut.

The purpose of the examination survey was to evaluate the Company's annuity replacement activity in the State of Connecticut. The examiners reviewed the Company's response, which included information requested for the examination period.

The Department's findings are as follows:

- In five instances, (5), the Company failed to provide adequate replacement and suitability documentation regarding recommendations recording the reasonable basis specific to product exchanges in compliance with Connecticut regulations.

It is recommended that the Company review its suitability practices to ensure that the annuity exchange documentation, at the time of sale, includes the specific benefit improvements and enhancements provided in the new contract over the old contract but equally important thoroughly details any lost benefits from the old replaced contract(s).



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF:

DOCKET MC 20-44

NATIONWIDE LIFE INSURANCE COMPANY:
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STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between Nationwide Life Insurance Company, and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner, to wit:

I

WHEREAS, pursuant to a Market Conduct target review, the Insurance Commissioner alleges the following with respect to Nationwide Life Insurance Company:

1. Nationwide Life Insurance Company, hereinafter referred to as respondent, is domiciled in the State of Ohio and is licensed to transact the business of an insurance company in the State of Connecticut under license number 66869 and is authorized to write life, annuity and health insurance.
2. From May 21, 2019 through December 10, 2019, the Department conducted an examination of Respondent's market conduct practices in the State of Connecticut covering the period from January 1, 2018 through December 31, 2018.
3. During the period under examination, Respondent failed to follow established practices and procedures to ensure compliance with statutory requirements, resulting in instances of:
 - a. In five (5) instances, failure to provide adequate replacement and suitability documentation regarding recommendations recording the reasonable basis specific to product exchanges in compliance with Connecticut regulations.
4. The conduct as described above violates §38a-432-5 of the Regulations of Connecticut State Agencies, and constitutes cause for the imposition of a fine or other administrative penalty under §§38a-2 and 38a-41 of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits to the allegations contained in paragraphs three and four of Article I of this Stipulation; and
2. WHEREAS, Respondent agrees to undertake a complete review of its practices and procedures to enhance compliance with Connecticut statutes in the areas of concern, as described in the Market Conduct Report and this Stipulation; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a summary of actions taken to comply with the recommendations in the Market Conduct Report within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent agrees to pay a fine in the amount of \$10,000 for the violations described herein; and
5. WHEREAS, Respondent, being desirous of terminating this proceeding without the necessity of a formal proceeding or further litigation, does consent to the making of this Consent Order and voluntarily waives:
 - a. any right to a hearing; and
 - b. any requirement that the Insurance Commissioner's decision contain a statement of findings of fact and conclusions of law; and
 - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation.

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Ten Thousand Dollars (\$10,000) for the violations herein above described.

NATIONWIDE LIFE INSURANCE COMPANY

By: 
(Representative of Insurance Company)

CERTIFICATION

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Order on this 6 day of July 2020 for and on behalf of Nationwide Life Insurance Company, that he/she is the Vice President of such company, and he/she has authority to execute and file such instrument.

By: April VanDervort

State of

County of

Personally appeared on this 6 day of July 2020
April VanDervort signer and sealer of the foregoing Stipulation and Consent Order, acknowledged same to be his/her free act and deed before me.

Melissa K Zimmerman
Notary Public/Commissioner of the Superior Court



Melissa K Zimmerman
Notary Public
In and For the State of Ohio
Recorded in Franklin County
My Commission Expires
14 March 2023

Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 5th day of August 2020.

Andrew N. Mais
Insurance Commissioner