

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Nationwide Corporation	:	Holding Companies Act, Article
Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for the	:	Law of 1921, Act of May 17, 1921,
Restructuring of its Holding Company	:	P.L. 682, <u>as amended</u> , 40 P.S.
System, which includes Nationwide Life	:	§§991.1401, 991.1402, and
Insurance Company of America	:	991.1403
	:	
	:	Order No. ID-RC-08-15

DECISION AND ORDER

AND NOW, on this 23rd day of October, 2008, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of the Parties

1. Nationwide Mutual Insurance Company (“Nationwide Mutual”) is a foreign mutual casualty insurance company organized under the laws of the State of Ohio with its principal place of business in Columbus, Ohio.
2. Nationwide Corporation (“NC”) is a stock corporation organized under the laws of the State of Ohio with its principal place of business in Columbus, Ohio. Nationwide Mutual holds 95.2% of the outstanding voting securities of NC.

3. Nationwide Financial Services, Inc. (“NFS”) is a stock holding company organized under the laws of the State of Delaware with its principal place of business in Columbus, Ohio. NC holds 66.3% of the outstanding voting securities of NFS.
4. NWM Merger Sub, Inc. (“Merger Sub”) is a newly-formed business corporation organized under the laws of the State of Delaware with its principal place of business in Columbus, Ohio. NC holds 100% of the outstanding voting securities of Merger Sub.
5. Nationwide Life Insurance Company of America (“Nationwide Life”) is a domestic stock life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Columbus, Ohio. NFS holds 100% of the outstanding voting securities of Nationwide Life.
6. Nationwide Mutual is the sole ultimate controlling person of Nationwide Life.

Filing of the Application

7. On September 30, 2008, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from NC for approval to effectuate a plan of reorganization of the holding company system that includes Nationwide Life.
8. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. (“Insurance Holding Companies Act”), provides that all transactions affecting the control of a domestic insurer must be filed with the Department for approval or disapproval.
9. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
10. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a. does not have the effect of changing or influencing the control of a domestic insurer, or
 - b. is otherwise not comprehended within the purposes of the section.

The Transaction

11. As described in the Application, Merger Sub will merge with and into NFS.

12. As described in the Application, after the transaction, NFS will become a wholly-owned subsidiary of NC.
13. As described in the Application, Nationwide Mutual will remain the sole ultimate controlling person of Nationwide Life following the transaction.
14. The Deputy Commissioner finds that the transaction described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
15. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
3. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
4. The instant transaction is not being contemplated to change or influence the ultimate control of Nationwide Life, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
5. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination for the application of Nationwide Corporation requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its holding company system, which includes Nationwide Life Insurance Company of America, as set forth in the Application, is hereby granted.

This Order is effective immediately and valid for one year, provided there are no material changes to the representations provided in the application.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner