

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
in Support of a Request for Approval to	:	XIV of the Insurance Company
Merge Nationwide Life Insurance	:	Law of 1921, Act of May 17, 1921,
Company of America with and into	:	P.L. 682, <u>as amended</u> , 40 P.S.
Nationwide Life Insurance Company	:	§§991.1401, 991.1402, and
with Nationwide Life Insurance	:	991.1403; Sections 1921 through
Company being the Survivor in a	:	1929 of the 1988 Business
Transaction Exempt from the	:	Corporation Law, Act of
Requirements of 40 P.S. §991.1402	:	December 21, 1988, P.L. 1444, No.
	:	177, as amended, 15 Pa. C.S.
	:	§§1921-1929; Sections 205 and 207
	:	of the GAA Amendments Act of
	:	1990, Act of December 19, 1990,
	:	P.L. 834, No. 198, as amended, 15
	:	P.S. §§21205 and 21207.
	:	:
	:	:
	:	Order No. ID-RC-09-26

DECISION AND ORDER

AND NOW, on this 14th day of September, 2009, 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, the 1988 Business Corporation Law and the GAA Amendments Act of 1990, 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 Life Insurance Company (“NLIC”) is a foreign stock life insurance company organized under the laws of the State of Ohio with its principal place of business in Columbus, Ohio.
2. Nationwide Life Insurance Company of America (“NLICA”) 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.
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. NFS holds 100% of the outstanding voting securities of NLIC and NLICA.
4. 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. NFS is an indirect wholly-owned subsidiary of Nationwide Mutual.
5. Nationwide Mutual is the sole ultimate controlling person of NLIC and NLICA.

Filing of the Application

6. 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.
7. 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.
8. The 1988 Business Corporation Law, Act of December 21, 1988, P.L. 1444, as amended, Sections 1921 through 1929, 15 Pa.C.S. §§1921 through 1929 (“1988 BCL”), and the GAA Amendments Act of 1990, P.L. 834, No. 198, as amended, 15 P.S. §§21205 and 21207 (“GAA Amendments Act”), provide that all plans of merger of domestic insurers must be filed with the Department for approval or

disapproval.

9. On July 6, 2009, 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 Nationwide Mutual for approval to merge NLICA with and into NLIC, with NLIC being the survivor.
10. The Application was filed pursuant to Section 1402(g) of the Insurance Holding Companies Act and Section 205 of the GAA Amendments Act.

Notice and Filing of Comments

11. On July 18, 2009, the Department published notice in the *Pennsylvania Bulletin* of receipt of the Application and invited interested persons to submit written comments to the Department regarding the Merger for a 30-day period, ending August 17, 2009.
12. The Department received no comments regarding the Merger during the 30-day comment period.

The Transaction

13. NLICA and NLIC executed a Plan and Agreement of Merger dated as of August 28, 2009 (“Merger Agreement”), which provides for NLICA to merge with and into NLIC, with NLIC being the surviving corporation.
14. As described in the Application, the Merger Agreement was adopted by written consent of the sole shareholder of NLICA and NLIC on August 28, 2009.
15. As described in the Application, the Merger Agreement was adopted by written consent of the boards of directors of NLICA and NLIC on August 28, 2009.
16. As described in the Application, NLIC shall acquire all of the assets of NLICA and assume all of the debts and other liabilities of NLICA.
17. As described in the Application, following the proposed merger, the participating policies and related investments comprising the Closed Block will continue to be managed separately and remain segregated from the other policies and investments of NLIC, and the provisions of the Closed Block Memorandum will continue to be followed.
18. As described in the Application, the Articles of Incorporation and Code of Regulations of NLIC in effect immediately prior to the merger shall be the Articles of Incorporation and Code of Regulations of NLIC upon the effective

date of the merger.

19. As described in the Application, the members of the board of directors and the officers of NLIC prior to the merger shall be the members of the board of directors and the officers of NLIC after the merger.
20. As described in the Application, each of the issued and outstanding shares of NLICA shall be cancelled.
21. As described in the Application, Nationwide Mutual will remain the sole ultimate controlling person of NLIC following the transaction.
22. 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 merger of NLICA and NLIC.
2. Under Section 1402(g) of the Insurance Holding Companies Act, the Department shall exempt a merger from the requirements of Section 1402 if the merger does not have the effect of changing or influencing the control of a domestic insurer.
3. Pursuant to Section 1402(g) of the Insurance Holding Companies Act, the Deputy Commissioner concludes that the proposed merger does not change the ultimate controlling person of the parties to the merger and, therefore, is exempt from the requirements of the Insurance Holding Companies Act.
4. The Deputy Commissioner concludes that the preparation of the Merger Agreement, pertaining to the terms and conditions, satisfies the requirements of Section 1922 of the 1988 BCL.
5. The Deputy Commissioner concludes that the Merger Agreement has been adopted and consented to by the sole shareholder of NLICA and NLIC, and by the board of directors of NLICA and NLIC, satisfying the requirements of Section 1924 of the 1988 BCL.
6. The Deputy Commissioner concludes that the Merger Agreement will be effective on or after proper filing of Articles of Merger with the Department of State, pursuant to Sections 1927 and 1928 of the 1988 BCL.
7. The Deputy Commissioner concludes that, if the proposed merger is consummated, all the rights, privileges, immunities, powers and purposes of NLICA will be conveyed to the surviving entity, as a matter of law, pursuant to

Section 1929 of the 1988 BCL.

8. Pursuant to Section 205(b) of the GAA Amendments Act, the Deputy Commissioner concludes that the proposed merger is in accordance with law and not injurious to the interests of policyholders and creditors of NLICA and NLIC.
9. The Application satisfies the requirements of the Insurance Holding Companies Act, the 1988 BCL and the GAA Amendments Act.
10. 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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	:	P.S. §§21205 and 21207.
	:	:
	:	Order No. ID-RC-09-26

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the application of Nationwide Corporation in support of a request for approval to merge Nationwide Life Insurance Company of America with and into Nationwide Life Insurance Company with Nationwide Life Insurance Company being the survivor subject to the following conditions:

A copy of the Articles of Merger shall be filed with the Deputy Commissioner not later than ten (10) days after their filing with the Pennsylvania Department of State.

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