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INSURANCE DEPARTMENT

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ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	VIOLATIONS:
	:	
NATIONWIDE MUTUAL	:	40 P.S. §§ 477b and 1171.5(a)(8)
INSURANCE COMPANY	:	
One Nationwide Plaza	:	
Columbus, OH 43215	:	
	:	
	:	
Respondent.	:	Docket No. CO16-08-003

CONSENT ORDER

AND NOW, this 8th day of November, 2017, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa. C.S. § 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is Nationwide Mutual Insurance Company, and maintains its mailing address at One Nationwide Plaza, Columbus, OH 43215.
- (b) Respondent is, and at all times relevant hereto has been, a licensed property and casualty insurer.
- (c) Respondent, in May 2015, submitted an automobile policy for form approval to the Pennsylvania Insurance Department and subsequently received approval to market and sell said policy in Pennsylvania.

- (d) Respondent from June 5, 2015 through June 30, 2016 used the previously referenced policy in Pennsylvania to insure consumers for automobile coverage.
- (e) Respondent from May 5, 2015 through June 30, 2016 offered consumers “Plenti Points” in exchange for obtaining an auto or property quote without having the Plenti Points benefit disclosed in the approved contract.
- (f) Respondent sent 3,746,185 emails offering “Plenti Points” in exchange for obtaining an auto or property quote between June 5, 2015 and June 30, 2016.
- (g) Respondent awarded 1,995,260 points to consumers with redeemable value of \$19,952.00 between June 5, 2015 and June 30, 2016.
- (h) Respondent bound 119 policies to customers who received points through this advertising campaign between June 5, 2015 and June 30, 2016.
- (i) Respondent subsequently submitted language, and on July 21, 2017, obtained contract approval for the “Plenti Points” program from the Pennsylvania Insurance Department.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 477b, prohibits issuing, selling, or disposing of any policy, contract or certificate until the forms have been submitted to, and formally approved by, the Insurance Commissioner;
- (c) Respondent's activities described above in paragraph 3(c) violate 40 P.S. § 477b.
- (d) Respondent's violations of 40 P.S. § 477b, are punishable by the following, under 40 P.S. § 625-10: Upon determination by hearing that this act has been violated, the commissioner may issue a cease and desist order, suspend, revoke or refuse to renew the license, or impose a civil penalty of not more than \$5,000 per violation.
- (e) 40 P.S. § 1171.5(a)(8) states "Unfair methods of competition" and "unfair or deceptive acts or practices" in the business of insurance means except as

otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of insurance, or agreement as to such contract other than as plainly expressed in the insurance contract issued thereon, or paying or allowing, or giving or offering to pay, allow or give as inducement to such insurance, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration, inducement or anything of value whatsoever which is not specified in the contract.

- (f) Respondent's activities described above in paragraphs 3(e) through 3(i) violate 40 P.S. § 1171.5(a)(8).

- (g) Respondent's violations of 40 P.S. § 1171.5(a)(8), are punishable by the following, under 40 P.S. §§ 1171.8, 1171.9, and 1171.11:
 - (i) an order requiring Respondent to cease and desist from engaging in such violation and/or, if such violation is a method of competition, act or practice defined in § 5 of this Act, suspension or revocation of Respondent's license(s);
 - (ii) commencement of an actions against Respondent for the following civil penalties:

- (1) for each method of competition, act or practice defined in § 5 and in violation of the Act which Respondent knew or reasonably should have known was such a violation, a penalty of not more than five thousand dollars (\$5,000.00) for each violation, not to exceed an aggregate penalty of fifty thousand dollars (\$50,000.00) in any six month period;
- (2) for each method of competition, act or practice defined in § 5 and in violation of this Act which Respondent did not know nor reasonably should have known was such a violation, each violation, not to exceed an aggregate penalty of ten thousand dollars (\$10,000.00) in any six month period;
- (3) for each violation of an Order issued by the Commissioner pursuant to § 9 of the Act, which such Order is in effect, a penalty of not more than ten thousand dollars (\$10,000.00).

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.

(b) Respondent shall pay a civil penalty of Ten Thousand Dollars (\$10,000.00) to the Commonwealth of Pennsylvania. Payment of this penalty shall be made by certified check or money order, payable to the Commonwealth of Pennsylvania. Payment should be directed to Bureau of Licensing and Enforcement, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment may be enclosed with the Consent Order, but must be paid in any event no later than fourteen (14) days after the date of the Consent Order.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Insurance Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or the duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law

contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or the duly authorized delegee.

BY: NATIONWIDE MUTUAL
INSURANCE COMPANY, Respondent



President / Vice President



~~Secretary / Treasurer~~ SVP, MARKETING

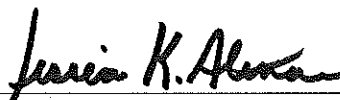


CHRISTOPHER R. MONAHAN
Deputy Insurance Commissioner
Commonwealth of Pennsylvania

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, Known as The
Administrative Code of 1929

AND NOW, this 22nd day of August, 2017, Christopher R. Monahan,
Deputy Insurance Commissioner, is hereby designated as the Commissioner's duly
authorized representative for purposes of entering in and executing Consent Orders. This
delegation of authority shall continue in effect until otherwise terminated by a later Order
of the Insurance Commissioner.



Jessica K. Altman
Acting Insurance Commissioner

