

BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER  
OF THE STATE OF WEST VIRGINIA

*In the Matter of:*

**OHIO STATE LIFE INSURANCE COMPANY**

Administrative Proceeding No. 23-IC-02210

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ASSESSING PENALTY

FINDINGS OF FACT

1. Allan L. McVey is the Insurance Commissioner of the State of West Virginia (“Commissioner”) and is charged with enforcing the provisions of Chapter 33 of the West Virginia Code.

2. Ohio State Life Ins. Co. (hereafter, “Ohio State”), a Texas insurance company, is licensed to transact the business of insurance in the State of West Virginia, pursuant to W. Va. Code §§ 33-1-10(a) and 33-1-10(b) under a Certificate of Authority issued by the Commissioner under Ohio State Life Ins. Co. (NAIC 67180).

3. Ohio State Market Conduct Annual Statement for the company’s life and annuity lines of business (“Life and Annuity MCAS”) was due on May 1, 2023.

4. On or about April 4, 2023, Ohio State requested additional time to submit the 2022 Life and Annuity MCAS, stating that Ohio State experienced “technical difficulties” related to the report.

5. On April 5, 2023, the Commissioner denied Ohio State’s request, stating that the Life and Annuity MCAS was not due until May 1, 2023, and, therefore, the company had twenty-five days until the filings were due.

6. On May 2, 2023, Ohio State was notified by email that the Life and Annuity MCAS Filing Status Report from the NAIC database was showing that the MCAS data was not submitted for the Life and Annuity lines of business in the State of West Virginia.

7. On May 9, 2023, Ohio State filed its Life and Annuity MCAS data.

8. The Commissioner further finds that Ohio State was also late filing MCAS data in for the years of 2019 and 2020.

9. Ohio State was twenty-three days late filing the 2019 MCAS data; the company was not assessed a penalty for this late filing.

10. Ohio State was six days late filing the 2020 MCAS data; the company was not assessed a penalty for this late filing.

10. Including the late filing for the 2022 MCAS data, Ohio State has been late filing for three of the last four years. The Commissioner finds that the repeat nature of Ohio State's violations warrants additional fines.

#### CONCLUSIONS OF LAW

1. The Insurance Commissioner has jurisdiction over the subject matter and the parties to this proceeding.

2. This proceeding is pursuant to and in accordance with W.Va. Code §§ 33-2-9 and 33-3-11.

3. The Insurance Commissioner is charged with the responsibility of verifying continued compliance with West Virginia Code and the West Virginia Code of State Rules by

Ohio State as well as all other provisions of regulation that Ohio State is subjected to, by virtue of its Certificate of Authority to operate in the State of West Virginia.

4. Ohio State is subject to licensing under Article 3, Chapter 33 of the West Virginia Code and related legislative rules and the authority of the Commissioner, as a foreign insurance company.

5. The Commissioner is authorized by W.Va. Code §33-3-11 to refuse to renew, or may revoke or suspend the license of an insurer, or require the insurer to pay to the State of West Virginia a penalty in a sum not exceeding Ten Thousand Dollars (\$10,000.00), if an insurer has violated any provision of Chapter Thirty-Three of the West Virginia Code, failed to comply with any lawful rule, regulation or order of the commissioner, or is transacting insurance in an illegal, improper or unjust manner.

6. The Commissioner conducted a review of Ohio State pursuant to his statutory duty under W.Va. Code §33-2-9(c). Under the statute, the Commissioner or his examiners may conduct an examination of any company as often as the Commissioner in his discretion considers appropriate.

7. Pursuant to W.Va. Code §33-2-9(h), in addition to conducting an examination, the Commissioner or his examiners may, as the Commissioner considers necessary, analyze or review any phase of the operations or methods of doing business of an insurer transacting an insurance business in the State of West Virginia.

8. Under W.Va. Code §33-2-9(i)(1) in conducting examinations, examiners shall observe the guidelines and procedures set forth in the examiners' handbook adopted by the

National Association of Insurance Commissioners. The Commissioner may also employ any other guidelines or procedures as the Commissioner may consider appropriate.

9. W.Va. Code R. §114-15-4.1.c states:

4.1. Examination, analysis and review activities shall include the following as they relate to the operation of entities, individuals or persons subject to the provisions of W. Va. Code §33-2-9:

c. Review of any statements, reports, or reviews of an entity, individual or person's financial condition, performance or market conduct practices including the review or development of any forecasts or projections or any type of filing made or intended to be made with the insurance commissioner. This review shall include but not be limited to the review or investigation of any audited financial report, compilation or review performed by a certified public accountant, actuarial statement or certification, documents submitted in application for licensure or registration in the state, or other matters or materials deemed necessary by the commissioner to fulfill his or her statutory obligations.

10. According to W.Va. Code §33-4-14(d) each domestic, foreign and alien insurer, organization or corporation shall annually, on or before March 1 each year, and forty-five days after the end of the first, second and third calendar quarters, file with the National Association of Insurance Commissioners a copy of its annual statement convention blank and the quarterly statement blanks, along with such additional filings as prescribed by the Commissioner. The MCAS is an additional filing as required under this code section and Ohio State's failure to timely file it is a violation of W.Va. Code §33-4-14(d).

11. Under W.Va. Code §33-2-9(i)(2) every company or person from whom information is sought, its officers, directors and agents shall provide to the examiners timely, convenient and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents and any or all computer or other recordings relating to the property, assets, business and affairs of the company being examined. The officers, directors, employees and agents of the company or

person shall facilitate the examination and aid in the examination so far as it is in their power to do so.

12. Pursuant to W.Va. Code §33-2-9(i)(3) the refusal of any company, by its officers, directors, employees or agents, to submit to examination or to comply with any reasonable written request of the examiners shall be grounds for suspension, revocation, refusal or nonrenewal of any license or authority held by the company to engage in an insurance or other business subject to the commissioner's jurisdiction.

13. Ohio State violated W.Va. Code §33-2-9(i)(3) by failing to comply with the reasonable written requests of the examiners relating to the filing of Ohio State's Life and Annuity MCAS.

14. Pursuant to W.Va. Code §33-3-11(b) the Commissioner has the authority to order an insurer to pay a penalty in a sum not exceeding ten thousand dollars for violating any provision of Chapter 33 of the West Virginia Code or any lawful rule.

#### ORDER

It is accordingly ORDERED as follows:

1. It is ORDERED that Ohio State will CEASE AND DESIST from failing to comply with the Statutes, Rules and Regulations of the State of West Virginia and provide timely and complete required filings, including the MCAS.

2. It is further ORDERED that Ohio State shall ensure compliance with the West Virginia Code and the Code of State Rules. Ohio State shall continue to monitor its compliance with W.Va. Code §33-2-9 and W.Va. Code §33-4-14.

3. It is ORDERED that Ohio State shall pay an administrative penalty to the State of West Virginia in the amount of Seven Thousand Dollars (\$7,000.00) for noncompliance with the West Virginia Code as described herein. This fine is the aggregate amount of Three Thousand Dollars (\$3,000.00) for each late MCAS filing, plus an additional One Thousand Dollars (\$1,000.00) due to Ohio State's prior history of late MCAS filings. The payment of this administrative penalty is in lieu of any other regulatory penalty or remedy and is due within thirty days.

4. Upon the failure of Ohio State to pay the penalty set forth above to the Commissioner as required, the Commissioner may take other action against Ohio State, pursuant to W.Va. Code §33-3-11 or otherwise available provisions.

5. Parties aggrieved by this order may file a written demand for a hearing, specifying "the grounds to be relied upon as basis for the relief to be requested at such hearing." W.Va. code R. § 114-13-3.2. Upon receipt of a written demand for hearing, the Insurance Commissioner will review the demand to determine whether or not the demand should be granted, and a hearing should be set. A hearing, if granted, will be held at the Insurance Commissioner's offices in Charleston, West Virginia. If the Commissioner determines that a hearing would serve no useful purpose or would require the Commissioner to exercise an authority in excess of that granted to him, then this office will, in accordance with W.Va. Code R. § 114-13-3.3, issue an order denying the request for a hearing. Such Order, if disagreed with, may be appealed to the West Virginia Intermediate Court of Appeals in accordance with W.Va. Code § 51-11-4.

ENTERED this 21<sup>ST</sup> day of August 2023.



Allan L. McVey  
CPCU, ARM, AAI, AAM, AIS  
Insurance Commissioner  
State of West Virginia