

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

In the Matter of:

NATIONWIDE CORPORATION GROUP

Administrative Proceeding No. 23-IC-158233

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ADOPTING
REPORT OF MARKET CONDUCT EXAMINATION

NOW COMES, Allan L. McVey, Insurance Commissioner of the State of West Virginia (hereinafter, "Commissioner"), who, after consideration of the *Report of Market Conduct Examination* (hereinafter, the "*Examination Report*") of Nationwide Corporation Group (hereinafter, "Nationwide") for the examination period ending December 31, 2023, made the following findings of fact and conclusions of law and order.

FINDINGS OF FACT

1. The market conduct examination was a targeted examination focusing on the use of aerial imagery for non-renewals of homeowners insurance policies. The examination was conducted in accordance with W. Va. Code §33-2-9(c) by examiners duly appointed by the Commissioner and covered the period of January 1, 2021 through December 31, 2023.

2. On or about August 27, 2025, the examiner filed with the Commissioner, pursuant to W. Va. Code §33-2-9, the *Examination Report*.

3. A true copy of the *Examination Report* was provided to Nationwide and Nationwide was notified, pursuant to W.Va. Code §33-2-9(j)(2), that it had ten (10) days after receipt of the *Examination Report* to file a submission or rebuttal with the Commissioner.

4. As set forth in the *Examination Report*, the examination focused on the methods used by Nationwide to manage its operations for each of the areas examined, including whether and how Nationwide complies with West Virginia's statutory and regulatory law.

5. The exam did not discover any instances where Nationwide was non-compliant with West Virginia law.

6. The Commissioner reviewed the *Examination Report* and considered Nationwide submissions prior to issuing these findings of fact, conclusions of law and order.

CONCLUSIONS OF LAW

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

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

3. The Commissioner is charged with the responsibility of verifying Nationwide's continued compliance with West Virginia law.

4. As detailed in the *Examination Report*, Nationwide was compliant with all standards reviewed.

ORDER

Pursuant to W.Va. Code §33-2-9(j)(3)(A), following the review of the *Examination Report*, the examination work papers, and Nationwide's response thereto, it is **ORDERED** as follows:

1. The referenced and attached *Examination Report* is hereby **ADOPTED** and **APPROVED** and by this reference, incorporated herein and made a part hereof; and
2. Nationwide shall continue to monitor its compliance with applicable West Virginia law.

Entered this 12th day of November, 2025.



Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

Report of Market Conduct Examination

As of December 31, 2023



Nationwide Corporation Group

One Nationwide Plaza, 1-35-206
Columbus, OH 43215

NAIC COMPANY CODES: 23779, 23760, 37877, 23787

Examination Number: 23-IC-158233

Table of Contents

COMPLIANCE WITH PREVIOUS EXAMINATION RECOMMENDATIONS.....	3
PURPOSE AND SCOPE OF THE EXAMINATION	3
EXECUTIVE SUMMARY.....	3
HISTORY AND PROFILE	4
ELEMENTS OF REVIEW AND STANDARDS	6
COMPLIANCE TABLE	9
OBSERVATIONS.....	10
RECOMMENDATIONS	11
EXAMINER’S SIGNATURE AND ACKNOWLEDGEMENT	12
EXAMINER’S AFFIDAVIT.....	13

August 27, 2025

The Honorable Allan L. McVey, CPCU, ARM, AAI, AAM, AIS
West Virginia Insurance Commissioner
900 Pennsylvania Avenue
Charleston, West Virginia 25302

Dear Commissioner McVey:

Pursuant to your instructions and in accordance with *W.Va. Code §33-2-9*, an examination has been made as of December 31, 2023 regarding the business affairs of:

Nationwide Corporation Group
One Nationwide Plaza, 1-35-206
Columbus, OH 43215

Hereinafter referred to as the "Company." The following report of the findings of this examination is herewith respectfully submitted.

COMPLIANCE WITH PREVIOUS EXAMINATION RECOMMENDATIONS

The West Virginia Office of the Insurance Commissioner (WVOIC) had not previously conducted a comprehensive market conduct examination of the Company.

PURPOSE AND SCOPE OF THE EXAMINATION

Market conduct examiners with the WVOIC reviewed certain business practices of the Company. The period covered by the examination was January 1, 2021 through December 31, 2023. W. Va. Code § 33-2-9 empowers the Commissioner to examine any entity engaged in the business of insurance. The findings in this report, including all work products developed in producing it, are the sole property of the WVOIC. West Virginia laws, regulations, and bulletins cited may be found at: <https://www.wvinsurance.gov/Legal-Authority>. "W.Va. Code" as used herein refers to the West Virginia Code Annotated. "W.Va. Code R." as used herein refers to the West Virginia Code of State Rules.

The purpose of this market conduct examination was to determine the Company's compliance with West Virginia (WV) laws and regulations, the conclusions and findings of this market conduct examination are public record.

The basic business areas that were reviewed and tested under this examination were:

- Operations and Management
- Complaint Handling
- Policyholder Service
- Underwriting and Rating

EXECUTIVE SUMMARY

This targeted examination was called due to an industry wide influx of inquiries and/or complaints regarding the use of aerial imagery for non-renewals received by the WVOIC, in addition to Nationwide's market conduct analysis involving an above average share of complaints and non-renewals regarding the same. (*Examiner's Note:* During the time in which the exam review took place, the WV Offices of the Insurance Commissioner issued an Insurance Bulletin to provide assistance and more clarity to insurance carriers that decide to use ariel imagery as part of its decision making when considering non-renewals of existing homeowners coverage.)

The preliminary company review began August 27, 2024. The entirety of the examination was performed remotely, with the Company providing examiners with access to its systems via remote access which houses company records, files, notes, and documentation. The file review began September 27, 2024 and concluded on December 6, 2024. Internal OIC review was completed on May 5, 2025. A total of twelve (12) standards were reviewed during this examination. Of these twelve (12) standards, the Company was compliant in all twelve (12).

No standard failure was found during the review; however, the market conduct examination revealed the following observation, in alignment with WV Insurance Bulletin No. 25-02 (April 16, 2025) which states:

- As per the West Virginia Insurance Bulletin No. 25-02 (April 16, 2025), paraphrased:
 - Aerial Imagery, if used, should be used as only one tool. The insurer should work to obtain recent, clear information through a physical inspection.
 - Consumers should be given access to aerial imagery prior to any non-renewal action, allowing the homeowner to provide updated information or dispute the accuracy of the aerial image used.
 - Insurers should consider the age and clarity of aerial imagery. The burden is on the insurer to prove the reason for the non-renewal. Recent, accurate evidence is needed to provide such burden of proof. Older aerial imagery standing alone will not often meet this burden.

The failure to identify, comment on, or criticize specific Company practices does not constitute an acceptance of the practices by the WVOIC or its' designee.

HISTORY AND PROFILE

Nationwide Corporation Group (140) is made up of thirty-nine (39) different companies and offers a full range of insurance and financial services. Products include car, motorcycle, homeowners, pet, farm, life, commercial insurance, annuities, mutual funds, retirement plans, and specialty health services. The market conduct examination was performed on the following Nationwide Corporation Group entities as having written premiums in West Virginia for the examination period:

- **Nationwide General Insurance Company (23760)**

Nationwide General Insurance Company was organized on August 22, 1957, in the State of Ohio. Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company controlled Nationwide General Insurance Company through ownership of all Nationwide General's outstanding common stock. In April 1974, the common stock of Nationwide General Insurance Company held by Nationwide Mutual Fire Insurance Company was purchased by Nationwide Mutual Insurance Company, making Nationwide Mutual Insurance Company the sole shareholder of Nationwide General Insurance Company. The NAIC 2023 Market Analysis – Market Share Report, illustrates Nationwide General Insurance Company had \$12,118,983 in premiums and a Market Share of 2.152% in the State of West Virginia for Homeowners insurance. The NAIC 2024 Market Analysis – Market Share Report, illustrates Nationwide General Insurance Company had \$11,579,445 in premiums and a Market Share of 1.902% in the State of West Virginia for Homeowners Insurance.

- **Nationwide Mutual Fire Insurance Company (23779)**

Pursuant to the approval of the Ohio Department of Insurance, Nationwide Mutual Fire Insurance Company merged with and into Nationwide Mutual Insurance Company effective January 1, 2023. Nationwide Mutual Insurance Company is the survivor of that merger. Due to the January 1, 2023 merger the Company has no direct state written premium or market share in 2023 or 2024 for Homeowners insurance.

- **Nationwide Mutual Insurance Company (23787)**

Nationwide Mutual Insurance Company, an Ohio domiciled, mutual property and casualty insurance company was incorporated on December 17, 1925, in the State of Ohio as the Farm Bureau Mutual

Automotive Insurance Company. The company changed to its current name on September 1, 1955. The company is operated by and solely in the interest of its policyholders. The company has been a party to various mergers over its existence, the most recent being the merger of Farmland Mutual Insurance Company, effective January 1, 2019, and Nationwide Mutual Fire Insurance Company effective January 1, 2023. Nationwide Mutual Insurance Company is the survivor of those mergers. According to the NAIC 2023 Market Analysis – Market Share Report, Nationwide General Insurance Company had \$15,071,290 in premiums and a Market Share of 2.667% in the State of West Virginia for Homeowners insurance. According to the NAIC 2024 Market Analysis – Market Share Report, Nationwide General Insurance Company had \$13,670,308 in premiums and a Market Share of 2.245% in the State of West Virginia for Homeowners insurance.

- **Nationwide Property & Casualty Company (37877)**

Nationwide Property and Casualty Insurance Company was incorporated on November 9, 1979, in the State of Ohio. Since the time of its organization, Nationwide Property and Casualty Insurance Company has been a wholly owned subsidiary of Nationwide Mutual Insurance Company, controlled through the ownership of all its outstanding common stock. The NAIC 2023 Market Analysis – Market Share Report, shows Nationwide General Insurance Company had \$14,985,100 in premiums and a Market Share of 2.662% in the State of West Virginia for Homeowners insurance. The NAIC 2024 Market Analysis – Market Share Report, shows Nationwide General Insurance Company had \$13,312,012 in premiums and a Market Share of 2.186% in the State of West Virginia for Homeowners insurance.

- **Scottsdale Insurance Company (41297)**

Note: Although Scottsdale Insurance Company is showing direct state written premiums in 2023 and 2024 for Homeowners insurance (for each applicable NAIC Market Analysis – Market Share Report), this company is a non-admitted surplus lines carrier and was not considered during the review of Nationwide Corporation Group for purposes of this targeted market conduct examination.

METHODOLOGY

The examination was conducted in accordance with the standards and procedures established by the National Association of Insurance Commissioners (NAIC) and WV's applicable statutes and regulations. This is a report by test of company compliance with selected Standard Elements of Review contained in the NAIC's 2024 Market Regulation Handbook ("Handbook") and Standards approved by the WVOIC which are based on applicable WV statutes and administrative rules, as referenced herein. Testing is based on guidelines contained in the Handbook. All tests applied are included in this report.

Tests designed to measure the level of compliance with WV's statutes, rules and regulations were applied to the files. Each area of the examination has specific elements that were tested and are listed below.

The examiners used the NAIC standards of 7% error ratio on claims tests (93% compliance rate) and 10% error ratio on all other tests (90% compliance rate) to determine whether or not an apparent pattern or practice of being compliant or non-compliant existed for any given test. Except as otherwise noted, tests were conducted via random sample taken from a given population where applicable. In the compliance table a "pass" response indicates compliance and a "fail" response indicates a failure to comply. The results of each test applied to a sample are reported separately.

ELEMENTS OF REVIEW AND STANDARDS

A1. OPERATIONS AND MANAGEMENT: Records are adequate, accessible, consistent and orderly and comply with state record retention requirements. (2024 NAIC Market Regulation Handbook Chapter 20, § A Standard 7)

- Are the records adequate and accessible? [W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4]

A2. OPERATIONS AND MANAGEMENT: The regulated entity cooperates on a timely basis with examiners performing the examinations. (2024 NAIC Market Regulation Handbook Chapter 20, § A Standard 9)

- Did the Company provide records and cooperate with examiners on a timely basis? [W. Va. Code §33-2-9 and W. Va. Code R. §114-15-4.9(a)]

B1. COMPLAINT HANDLING: All complaints are recorded in the required format on the regulated entity's complaint register. (2024 NAIC Market Regulation Handbook Chapter 20, § B Standard 1)

- Is the Company recording all complaints, both directly from the consumer as well as the Commissioner's office, in a regulated complaint register? [W. Va. Code §33-11-4(10) and W. Va. Code R. §114-15-4.6]

B2. COMPLAINT HANDLING: The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders. (2024 NAIC Market Regulation Handbook Chapter 20, § B Standard 2)

- Does the Company have adequate complaint handling procedures in place Per W. Va. Code §33-11-4(10)?

B3. COMPLAINT HANDLING: The time frame within which the regulated entity responds to complaints is in accordance with applicable statutes, rules and regulations. (2024 NAIC Market Regulation Handbook Chapter 20, § B Standard 4)

- Is the Company responding to complaints within fifteen (15) Working days as required by W. Va. Code R. §114-14-5.2?

E1. POLICYHOLDER SERVICE: Premium notices and billing notices are sent out with an adequate amount of advance notice. (2024 NAIC Market Regulation Handbook Chapter 20, § E Standard 1)

- Were renewal billing notices sent out in accordance with company guidelines?
- Were premium notices sent out for endorsement timely, not at policy expiration?

E3. POLICYHOLDER SERVICE: Unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations. (2024 NAIC Market Regulation Handbook Chapter 20, § E Standard 7)

- Are unearned premiums calculated correctly?

F1. UNDERWRITING AND RATING: The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the regulated entity's rating plan. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 1)

- Was the premium calculated correctly? [W. Va. Code §33-20-3 & W. Va. Code §33-20-4]
- Were the Company's own underwriting guidelines followed for proper rating?
Note: Farmers Mutual Fire Insurance Companies are not required to file rates with the Commissioner's Office; however, rates should not be unfairly discriminatory [W. Va. Code §33-11-4(7)(c)]. Deviations from established rating plans could indicate a company is engaged in unfair competitive practices.

F3. UNDERWRITING AND RATING: The regulated entity's underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations, and regulated entity guidelines in the selection of risks. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 4)

- Are the Company's underwriting guidelines unfairly discriminatory in nature? Or do they conform to applicable statutes, rules and regulations? [W. Va. Code §33-11-4(7)(c)]
- Is the Company following its underwriting guidelines to ensure compliance regarding unfair discrimination?
- Any inconsistent underwriting practices?

F4. UNDERWRITING AND RATING: All forms, including policies, contracts, riders, amendments, endorsement forms and certificates are filed with the insurance department, if applicable. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 5)

- Have all the forms and endorsements been filed with the Commissioner? [W. Va. Code §33-6-8]

F5. UNDERWRITING AND RATING: Policies, contracts, riders, amendments and endorsements are issued or renewed accurately, timely and completely. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 6)

- Are renewals and endorsements issued in the appropriate time frame, following the Company's procedures? [W.Va. Code §33-17A-4 (c)]
Note: Farmers Mutual Fire Insurance Companies are not subject to W.Va. Code §33-17A-4 (c); however, they are subject to W.Va. Code §33-11-4. Consistently following company procedures is the fundamental technique used to avoid unfair trade practices.

F7. UNDERWRITING AND RATING: Cancellation/non-renewal, discontinuance and declination notices comply with policy and contract provisions, state laws and company guidelines. (2024 NAIC Market Regulation Handbook Chapter 20, § F Standard 8)

- Were company-initiated cancellations and non-renewals within applicable statutes and policy provisions? [W.Va. Code §§33-17A-4, 33-17A-5 and 33-22-15 (Farm Mutual Insurance Companies)]
- Does the notice contain the specific reason for Cancellation/ non-renewal? [W.Va. Code §33-17A-4] *Note: Farm Mutual Fire Insurance Companies are not subject to W.Va. Code §33-17A-4*
- Was the policyholder given the proper advance notice for company-initiated cancellation/non-renewal? [W.Va. Code §§33-17A-4 and 33-22-14 (Farm Mutual Insurance Companies)]

COMPLIANCE TABLE

<u>Review Section</u>	<u># Pass</u>	<u># Fail</u>	<u>Minimum Standard Compliance %</u>	<u>Compliance Result %</u>	<u>Examination Result</u>		
					<u>Compliant</u>	<u>Predominantly Compliant</u>	<u>Non-Compliant</u>
A1	PASS	0	PASS	PASS	X		
A2	PASS	0	PASS	PASS	X		
B1	18	0	90	100	X		
B2	18	0	90	100	X		
B3	18	0	90	100	X		
E1	50	0	90	100	X		
E3	50	0	90	100	X		
F1	50	0	90	100	X		
F3	50	0	90	100	X		
F4	50	0	90	100	X		
F5	50	0	90	100	X		
F7	50	0	90	100	X		

OBSERVATIONS

A1. OPERATIONS AND MANAGEMENT – All records reviewed were adequate, accessible, consistent, orderly, and comply with state record retention.

A2. OPERATIONS AND MANAGEMENT – The Company provided records and cooperated with examiners on a timely basis.

B1. COMPLAINT HANDLING - The Company is maintaining a complaint log for both direct and indirect complaints in accordance with the requirements of the Insurance Commissioner. The Company log reconciled with WVOIC records. *NOTE: The examiners reviewed only the complaints specific to roof-related issues and/or non-renewals during the examination period.*

B2. COMPLAINT HANDLING - The Company appears to have adequate complaint handling procedures in place.

B3. COMPLAINT HANDLING - All complaints reviewed were answered within 15 working days.

E1. POLICYHOLDER SERVICE – Policies reviewed had premium/billing notices sent out via the Company's procedures.

E3. POLICYHOLDER SERVICE – The Company processes cancellations on a pro-rata basis. Unearned premiums were calculated correctly and returned timely to the appropriate party.

F1. UNDERWRITING AND RATING – All files reviewed appeared to have correctly calculated premiums in accordance with the Company's underwriting guidelines and rates.

F3. UNDERWRITING AND RATING – The Company's underwriting guidelines appeared to be non-discriminatory and contained consistent underwriting practices.

F4. UNDERWRITING AND RATING – Policy forms and endorsements reviewed were filed with and approved by the WVOIC.

F5. UNDERWRITING AND RATING – The Company sent out renewals and endorsements timely and accurately per Company's procedures.

F7. UNDERWRITING AND RATING – The Company sent out written notice of cancellation/non-renewal in the required amount of time. The Company was not required to document a valid reason for cancellation as it is not subject to W. Va. Code §33-17A-4; however, reasons were provided and found to not be unfairly discriminatory (W Va. Code §33-11-4(7)(c)).

RECOMMENDATIONS

The Company should review, in its entirety, and follow the guidance set forth in West Virginia Insurance Bulletin No. 25-02 (April 16, 2025).

The Company should periodically review its documented non-renewal processes to ensure consistency in its decisions and subsequent actions taken.

EXAMINER'S SIGNATURE AND ACKNOWLEDGEMENT

The examiner would like to acknowledge the cooperation and assistance extended by the Company during the examination.

In addition to the undersigned, Jean E. Tincher, CPCU, AIE, APIR, MCM also participated in this examination.



Desiree D. Mauller CIE, CWCP, MCM
Examiner-in-Charge

EXAMINER'S AFFIDAVIT

State of West Virginia

County of Kanawha

**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES
USED IN AN EXAMINATION**

I, Desiree D. Mauller, being duly sworn, states as follows:

1. I have the authority to represent West Virginia in the examination of the Nationwide Corporation Group. I have reviewed the examination work papers and examination report, and the examination of the Nationwide Corporation Group was performed in a manner consistent with the standards and procedures required by West Virginia.

The affiant says nothing further.



Desiree D. Mauller CIE, CWCP, MCM Examiner-in-Charge

Subscribed and sworn before me by Desiree D. Mauller on this 27th day of August, 2025.



Notary Public

My commission expires: 10-11-2029 (date).

