



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

MARKET CONDUCT DRAFT EXAMINATION REPORT

OF

NATIONWIDE LIFE INSURANCE COMPANY

AND

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

AS OF

December 31, 2010

NAIC COMPANY CODES: 66869 and 92657

NAIC GROUP CODE: 0140

EXECUTIVE SUMMARY

In June 2006, the Florida Legislature enacted the Freedom to Travel Act, which modified Florida's Unfair Trade Practices Act by placing prohibitions on life insurance limitations upon an individual based solely on the individual's past lawful foreign travel or future lawful travel plans.

A target market conduct examination of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company was performed to determine compliance with applicable Florida Statutes and Rules of the Florida Administrative Code.

No violations were noted during the examination.

PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations, conducted a target market conduct examination of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company (hereinafter jointly or singularly "Company") pursuant to Section 624.3161, Florida Statutes.

The purpose of this examination was to review compliance with Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administrative Code. The scope period of this examination was July 1, 2009 through December 31, 2010.

The examination included the following procedures:

- Review policy applications to determine if applications were denied, issued in a manner other than applied for, had benefit changes or canceled solely on the individual's past lawful foreign travel experiences, or future lawful foreign travel plans, and compliance with the Florida Statutes and the Florida Administrative Code.
- Review reinsurance agreements to verify if any of the agreements place any limitations as a result of the applicant's past and/or future foreign travel.

In reviewing materials for this final report, the examiner relied on records provided by the Company. Procedures and conduct of the examination were in accordance with the *Market Regulation Handbook* produced by the National Association of Insurance Commissioners.

COMPANY OPERATIONS

Nationwide Life Insurance Company is a foreign Life and Health insurer licensed to conduct business in the State of Florida on November 21, 1955. The Company provides Accident & Health; Credit Disability; Credit Life; Group Life & Annuities; Life; Variable Annuities and Variable Life coverage in the State of Florida.

Nationwide Life and Annuity Insurance Company is a foreign Life and Health insurer licensed to conduct business in the State of Florida on June 26, 1984. The Company provides Accident & Health; Credit Disability; Credit Life; Group Life & Annuities; Life; Variable Annuities and Variable Life coverage in the State of Florida.

Total Direct Premiums Written in Florida for Life Insurance was as follows:

Year	Total Written Premium In Florida (Per Schedule T of the Annual Statement)
2009	\$734,656,017
2010	\$871,096,843

Year	Total Written Premium In Florida (Per Schedule T of the Annual Statement)
2009	\$34,194,072
2010	\$33,241,459

LIFE APPLICATION REVIEW

The examiners reviewed information contained in the Company's individual life and group life underwriting files, which could have included but not limited to the application, field underwriting guidelines, telephone interviews, questionnaires, underwriting notes, correspondence with agents and consumers, medical records, financial information, and the Company's Agent training materials.

The Companies used applications that contained travel related questions and used travel questionnaires.

There were no violations noted.

EXAMINATION DRAFT REPORT SUBMISSION

The courtesy and cooperation of the officers and employees of the Company during the examination are acknowledged and appreciated.

Janice Davis, Financial Administrator, and Karen Isch, Senior Management Analyst II, participated in this examination.