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# NEWS

## Illinois Department of Insurance

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### Department of Insurance Announces Multi-Million Dollar Settlement with Nationwide

#### *Illinois participated in multi-state effort to examine payment of Life Insurance Benefits*

**CHICAGO - October 11, 2012.** Illinois Department of Insurance (DOI) Director Andrew Boron today announced an agreement has been reached with Nationwide Life Company and its life insurance affiliates (“Nationwide”) as part of a multi-million dollar settlement with several states. Under the settlement, Nationwide and its affiliates agreed to change business practices related to the payment of life insurance benefits and also agreed to pay \$7,200,000 to states that are a party to the settlement.

The Regulatory Settlement Agreement is the result of a multi-state examination to investigate Nationwide’s practices and procedures for identifying and paying proceeds to beneficiaries of life insurance policies and annuities. Illinois, along with six other lead states, initiated discussions with the company regarding compliance and the need for reform. Since the multi-state examination began, Nationwide has identified 4,747 unclaimed death benefits, and had already paid \$144.1 million to beneficiaries. The settlement also provides for a \$7,200,000 payment to be allocated among states signing the agreement.

“This settlement is an important step forward in protecting Illinois consumers with respect to the payment of life insurance proceeds and provides for the adoption of proscriptive business practices to ensure that death benefits are timely paid,” said DOI Director Boron. “This Nationwide agreement is the third national agreement, including the Metlife settlement lead by DOI and announced in April 2012, which reflects a joint commitment by state insurance regulators to protect policy beneficiaries and consumers in the payments of benefits rightfully owed.”

Under the agreement, the four Nationwide companies, Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company, Nationwide Life Insurance Company of America, and Nationwide Life and Annuity Insurance Company of America (collectively “Nationwide”) will implement business reforms to promote a timely and efficient search for the beneficiaries of its in force life insurance policies and annuities through regular matches of its insureds and annuitants against the Social Security Administration’s Death Master File (DMF).

The agreement becomes effective after it is signed by 20 states. Illinois, along with California, New Hampshire, North Dakota, Ohio, Pennsylvania and Florida, which lead the examination, have signed the agreement.

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A copy of the settlement agreement is available on the DOI website at <http://insurance.illinois.gov>. Consumers who have any questions regarding this settlement, or who have any questions or concerns about their insurance, should contact the Department's Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

**About the Illinois Department of Insurance**

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner.

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