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Department of Insurance
State of Idaho

Attorneys for Idaho Department of Insurance

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
STATE OF IDAHO**

In the Matter of:

NATIONWIDE LIFE INSURANCE COMPANY,

Idaho Certificate of Authority No. 81
NAIC ID No. 66869

Docket No. 18-3027-15

CONSENT ORDER

The Idaho Department of Insurance (hereinafter "Department"), by and through its attorney of record, John C. Keenan, Deputy Attorney General, and Nationwide Life Insurance Company (hereinafter "Nationwide") hereby stipulate and agree as follows:

1. The Director of the Idaho Department of Insurance has jurisdiction in the state of Idaho over matters involving insurance regulation and licensing in accordance with title 41, Idaho Code.

2. Nationwide is a licensed insurance company in Idaho, holding Idaho Certificate of Authority No. 81 since December 9, 1955. Such certificate of authority authorizes Nationwide to engage in Idaho in the business of disability, life, and variable life and annuity lines of insurance.

ONE: SECTION 41-2210(1), IDAHO CODE, AND DEPARTMENT RULE 6

3. Rule 18.01.06 of the rules promulgated by the Department pursuant to the Idaho Insurance Code, title 41, Idaho Code, is entitled “Rule to Implement Uniform Coverage for Newborn and Newly Adopted Children.” Such rule is found in the Administrative Code at IDAPA 18.01.06. Subsection 001.02 of the rule provides that such rule “sets forth uniform requirements to be followed by health plans providing coverage to newborn and newly adopted children in accordance with Sections 41-2140, 41-2210, 41-3437, 41-3923, 41-4023 and 41-4123, Idaho Code.”

4. Section 41-2210(1), Idaho Code, provides that any, group disability insurance contract or blanket disability insurance contract, delivered or issued for delivery in this state which provides coverage for injury to sickness for newborn dependent children of subscribers or other members of the covered group, shall provide coverage for such new born children, including adopted newborn children that are placed with the adoptive subscriber or other member of the covered group within sixty (60) days of the adopted child’s date of birth, from and after the moment of birth.”

5. IDAPA 18.01.06.012.01 is labeled “Notification and Payment.” Paragraphs a and b of that subsection provide as follows:

a. If notice and payment of additional premium are required for dependent coverage under the health plan contract, the contract may require notice of birth, placement or adoption and payment of required premium as a condition of coverage for newborn and newly adopted children. The notification period shall be not less than sixty (60) days from the date of birth for a newborn child or, for newly adopted children, sixty (60) days from the earlier of the date of adoption or placement for adoption. The due date for payment of any additional premium, if required, shall be not less than thirty-one (31) days following receipt by the health plan member of a billing for the required premium.

b. All requirements for notice and payment of premium applied by the health plan for the enrollment of newborn or newly adopted children shall be clearly set forth in the health plan contract and provided to the health plan members in a manner reasonably calculated to provide notice to the members of the requirements.

6. For the period from August 1, 2014, to February 25, 2015, Nationwide’s policy

form BSAS OR L20 000 1112 filed with the Department failed to include the sixty (60) day enrollment period for coverage for newborn children including adopted newborn children in accordance with section 41-2210(1), Idaho Code, and IDAPA 18.01.06.

7. Nationwide admits to such violations of section 41-2210(1), Idaho Code, and IDAPA 18.01.06 extending over the time period from August 1, 2014, to February 25, 2015.

8. The Department acknowledges that Nationwide no longer uses form BSAS OR L20 000 1112 in Idaho; however, Nationwide has refiled the form as NWLC-129905257, which is under review by the Department.

9. On February 26, 2015, Nationwide provided to the Department a notarized statement representing that Nationwide had issued five (5) policies under form BSAS OR L20 000 1112 and that no claims were denied and no coverage was declined or rejected due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order.

TWO: DEPARTMENT RULE 31 and SECTION 41-2210(4), IDAHO CODE

10. With regard to group disability policies, Section 41-2210(4), Idaho Code, in relevant part states that:

No policy of disability insurance which provides maternity benefits for a person covered continuously from conception shall be . . . delivered [in Idaho] . . . if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or consurance provisions, as to involuntary complications of pregnancy, unless such provisions apply generally to all benefits paid under the policy.

11. The Department's Rule 31, at IDAPA 18.01.31.011.02, states in relevant part that "involuntary complications of pregnancy" includes, but is not limited to, "[c]onditions, requiring hospital confinement (when the pregnancy is not terminated), whose diagnoses are distinct from pregnancy but are adversely affected by pregnancy or are caused by pregnancy. . . ."

12. For the period from August 1, 2014, to February 25, 2015, Nationwide's policy form BSAS OR L20 000 1112 did not comply with section 41-2210(4), Idaho Code, and the Department's Rule 31 with regard to involuntary complications of pregnancy.

13. Nationwide admits to such violations of section 41-2210(4), Idaho Code, and the Department's Rule 31.

14. The Department acknowledges that Nationwide no longer uses form BSAS OR L20 000 1112 in Idaho; however, Nationwide has refiled the form as NWLC-129905257, which is under review by the Department.

15. On February 26, 2015, Nationwide provided to the Department a notarized statement representing that Nationwide had issued five (5) policies under form BSAS OR L20 000 1112 and that no claims were denied and no coverage was declined or rejected due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order.

THREE: SECTION 41-1845, IDAHO CODE

16. Section 41-1845(1), Idaho Code, with regard to recreational-related activities provides:

No company providing health insurance benefits may:

(a) Deny health care coverage to any individual based solely on that individual's casual or nonprofessional participation in the following activities: motorcycling, snowmobiling, off-highway vehicle riding, skiing, snowboarding, horseback riding or similar activities; or

(b) Exclude medical benefits under health care coverage to any covered individual based solely on that individual's casual or nonprofessional participation in the following activities: motorcycling, snowmobiling, off-highway vehicle riding, skiing, snowboarding, horseback riding or similar activities.

17. Nationwide's policy form BSAS OR L20 000 1112 was not in compliance with

section 41-1845, Idaho Code, for the period of August 1, 2014, to February 25, 2015.

18. Nationwide admits to such violation under section 41-1845, Idaho Code, regarding recreational-related activities, extending over the time period from August 1, 2014, to February 25, 2015.

19. The Department acknowledges that Nationwide no longer uses form BSAS OR L20 000 1112 in Idaho; however, Nationwide has refiled the form as NWLC-129905257, which is under review by the Department.

20. On February 26, 2015, Nationwide provided to the Department a notarized statement representing that Nationwide had issued five (5) policies under form BSAS OR L20 000 1112 and that no claims were denied due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order.

FOUR: TITLE 41, CHAPTER 59, IDAHO CODE, and DEPARTMENT RULE 5

21. Title 41, Chapter 59, Idaho Code, known as the Idaho Health Carrier External Review Act, provides that the purpose of the Act is to “provide uniform standards for the establishment and maintenance of external review procedures to assure that covered persons have the opportunity for an independent review of a final adverse benefit determination” Section 41-5901, Idaho Code.

22. The Department’s Rule 5, IDAPA 18.01.05, known as the rule on Health Carrier External Review, sets forth “uniform requirements to be followed by health carriers and independent review organizations in implementing external review procedures in accordance with Title 41, Chapter 59, Idaho Code.” IDAPA 18.01.05.001.02.

23. Nationwide’s policy form BSAS OR L20 000 1112 was not in compliance with Title 41, Chapter 59, Idaho Code, and Department Rule 5, for the period of August 1, 2014, to

February 25, 2015.

24. Nationwide admits to such violation under Title 41, Chapter 59, Idaho Code, and Department Rule 5, relating to external review procedures over the time period from August 1, 2014, to February 25, 2015.

25. The Department acknowledges that Nationwide no longer uses form BSAS OR L20 000 1112 in Idaho; however, Nationwide has refiled the form as NWLC-129905257, which is under review by the Department.

26. On February 26, 2015, Nationwide provided to the Department a notarized statement representing that Nationwide had issued five (5) policies under form BSAS OR L20 000 1112 and that no claims were denied due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order.

FIVE: SECTION 41-1813, IDAHO CODE

27. Section 41-1813, Idaho Code, states:

The director shall disapprove any form filed under section 41-1812[, Idaho Code], or withdraw any previous approval thereof, only on one or more of the following grounds: . . . [the form c]ontains or incorporates by reference, where such incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses or exceptions and conditions . . . which are unfairly prejudicial to the policy holder.

28. Nationwide's policy form BSAS OR L20 000 1112 filed with the Department for the period from August 1, 2014, to February 25, 2015, did not comply with the federal Affordable Care Act (hereinafter "ACA") 42 U.S.C. § 18001 (2010), as it did not comply with the required benefits and terms of that Act, including Essential Health Benefits (EHB), Mental Health Parity Act, Dollar Maximums and Pediatric Dental.

29. Contrary to section 41-1813(2), Idaho Code, Nationwide's policy form BSAS OR L20 000 1112, as filed with the Director, for the term of August 1, 2014, to February 25, 2015,

was unfairly prejudicial to Nationwide's policyholders because the form failed to comply with the required benefits and terms of the ACA.

30. The Department acknowledges that Nationwide no longer uses form BSAS OR L20 000 1112 in Idaho; however, Nationwide has refiled the form as NWLC-129905257, which is currently under review by the Department.

31. On February 26, 2015, Nationwide provided to the Department a notarized statement representing that Nationwide had issued five (5) policies under form BSAS OR L20 000 1112 and that no claims were denied due to violations of applicable Idaho law or rule. The Department relies on such representation in entering into this Consent Order.

SANCTION

32. As a sanction for all violations referenced above, the Department and Nationwide agree that Nationwide shall pay to the Department an administrative penalty in the amount of five thousand dollars (\$5,000) by no later than thirty (30) days after the entry of this Consent Order.

33. Nationwide agrees that in the future it will comply with all requirements of the Idaho Insurance Code and rules promulgated thereunder, and specifically with all requirements relating to its policies filed with the Department.

34. Nationwide acknowledges that this is an administrative action that may be required to be reported on Department licensing applications and license renewal forms.

35. This Consent Order constitutes full and final resolution of all matters addressed herein, and the Department agrees that, upon Nationwide's execution of this Consent Order and its full compliance with all terms and conditions set forth herein and payment in full of the administrative penalty, the above-entitled matter shall be dismissed with prejudice and the

Department shall seek no further sanctions for the violations addressed herein.

IT IS SO AGREED.

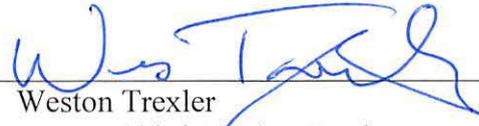
Dated this 29 day of April, 2015.

NATIONWIDE LIFE INSURANCE COMPANY

By: 
Printed Name: SYED RIZVI
Title: V.P.

Dated this 5 day of May, 2015.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

By: 
Weston Trexler
Bureau Chief, Product Review

IT IS SO ORDERED.

Dated this 6th day of May, 2015.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


THOMAS A. DONOVAN
Acting Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 6th day of May, 2015, I caused a true and correct copy of the foregoing CONSENT ORDER to be served upon the following by the designated means:

Nationwide Life Insurance Company
Attn: Sean Ramsby, Operations Manager
1 Nationwide Plaza
1-32-101
Columbus, OH 43215

- first class mail
- certified mail
- hand delivery
- via facsimile

John C. Keenan
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

- first class mail
- certified mail
- hand delivery
- via facsimile
- via email