

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Insurance Division
1511 PONTIAC AVENUE, BLDG. 69-2
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF: :
: :
NATIONWIDE MUTUAL INSURANCE :
COMPANY :
: :
RESPONDENT. :
: :
:

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation ("Department") and Nationwide Mutual Insurance Company ("Respondent") as follows:

1. Respondent is an insurer licensed in the State of Rhode Island to issue property & casualty insurance policies including automobile insurance policies.
2. These automobile insurance policies require Respondent to indemnify for covered losses.
3. It is the position of the Department that the loss attributable to a totaled vehicle includes all fees incidental to the transfer of ownership of a comparable vehicle.
4. The Department amended Insurance Regulation 73(8)(A)(4)(a) effective February 18, 2014 requiring insurers to include "...all applicable taxes, title, registration, and other fees incident to transfer of evidence of ownership of a comparable automobile." in their settlement of a total loss vehicle.
5. In December of 2016 the Department received a consumer complaint indicating that Respondent did not pay the required title and registration fees for registering a replacement vehicle.

6. Respondent replied to the consumer complaint in January of 2017 wherein Respondent agrees that there was an error and issued payment, including interest, to the complainant.

7. Upon additional inquiry by the Department, Respondent indicated that this was not an isolated incident and provided requested information about those impacted.

8. Respondent's records indicated that out of one thousand three hundred eleven (1311) relevant claims, it had appropriately paid title, registration and other fees incident to transfer of ownership of a comparable vehicle in settling two hundred and twenty-seven (227) of those automobile total losses.

9. Respondent's records further indicated that of the aforementioned affected claims, there were thirty-eight (38) where the RI sales tax of 7% was also not included.

10. Respondent has agreed to notify all impacted claimants of the problems and advise them of the remediation, along with the amount of the check they are about to receive.

11. The Department contends that failure to pay the fees with the claim is a violation of R.I. Gen. Laws § 27-9.1-4(1), (3) and (4) and Insurance Regulation 73.

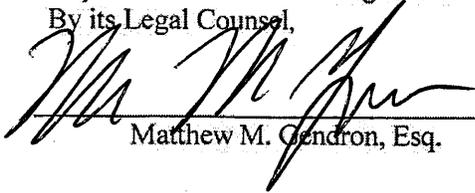
THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

1. Respondent will pay to each of the one thousand and eighty four (1084) claimants identified an amount representing the fees incidental to transfer of ownership of a comparable vehicle in a total loss cash settlement plus 12% interest. Respondent's total remediation for title, transfer and other fees is \$93,543.02 and remediation related to sales tax is \$25,685.87. Both of those figures are before the 12% interest.

2. Respondent agrees that such fees and taxes will be paid on all total loss settlements in the future in accordance with Insurance Regulation 73.
3. Respondent will pay a fine of \$35,000.

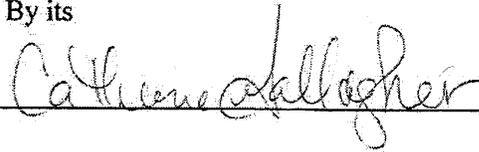
Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 28th day of April 2017.

Department of Business Regulation
By its Legal Counsel,



Matthew M. Gendron, Esq.

Nationwide Mutual Insurance Company
By its



Catherine Gallagher