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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of the Rating and Underwriting Practices and Procedures of the

VETERINARY PET INSURANCE COMPANY (NAIC #42285),

Respondent.

File No. NC-2023-00004

STIPULATION AND CONSENT ORDER

The California Department of Insurance (“the Department”) and Respondent Veterinary Pet Insurance Company (“Respondent”) (collectively, the “Parties”) stipulate as follows:

1. The Department has jurisdiction over Respondent who is, and at all relevant times was, an insurer licensed to transact the business of insurance in California.
2. Respondent is and was at all relevant times a member of the Nationwide Group (NAIC Group No. 140). Respondent’s insurance products are sold under the Nationwide® name.
3. At all relevant times, Respondent transacted the business of insurance in California on risks or lines subject to the provisions of the California Insurance Code (“CIC”) and title 10 of the California Code of Regulations (“Regulations”), including, *inter alia*, Insurance Code section 1861.05, subdivision (a) and Regulations 2360.0, 2360.2, 2360.3, and 2360.4.
4. Respondent offers and has offered at all relevant times approximately four pet insurance plans, each of which has different coverage and pricing options. Two of these plans –

1 VBW-I and VB-II – are only available to consumers through participating employers.
2 Respondent’s practices with respect to marketing all of its plans, including without limitation
3 VBW-I and VB-II, are relevant for purposes of this Stipulation.

4 5. Beginning in and around January 2022, the Department began communicating
5 with Respondent’s representatives regarding Respondent’s obligation to offer and quote
6 additional pet insurance plans offered directly by Respondent at lower rates and different
7 coverage options to those consumers who are already eligible for VBW-I and VB-II through their
8 employers.

9 6. Based upon these ongoing communications as well as additional information and
10 documents that Respondent has provided to the Department as part of these discussions, the
11 Department became aware that Respondent did not offer and quote each of its current plans,
12 coverages, and pricing options to every eligible consumer. Respondent’s failure to offer and
13 quote each of its current plans, coverages, and pricing options to every eligible consumer was
14 according to the Department a violation of, *inter alia*, Insurance Code section 1861.05,
15 subdivision (a) and Regulations 2360.0, 2360.2, 2360.3, and 2360.4.

16 7. Respondent acknowledges receipt of the Notice of Noncompliance in this matter,
17 which includes all issues relevant to this Stipulation.

18 8. The purpose of this Stipulation is to resolve contested issues resulting from
19 Respondent’s marketing practices in violation of, *inter alia*, CIC section 1861.05 and Regulations
20 2360.0, 2360.2, 2360.3, and 2360.4.

21 9. The Department and Respondent believe that it is in the public interest to resolve
22 this matter without the need for a hearing or any further administrative action.

23 10. Other than as set forth in this Stipulation, the Parties agree no factual findings or
24 legal conclusions have been made.

25 11. Respondent denies the allegations contained in the Notice of Noncompliance and
26 by entering into this stipulated agreement, memorialized by this Stipulation, Respondent makes
27 no admission of liability, wrongdoing, or violation of law.

28 12. Without admitting wrongdoing, Respondent waives its rights to a hearing and any

1 and all rights to which it may be entitled pursuant to CIC sections 1858.1, *et seq.*

2 13. Respondent has met and conferred with the Department, and will continue to meet
3 and confer with the Department as necessary, to address concerns arising from the Department's
4 review of Respondent's insurance practices raised in the Notice of Noncompliance.

5 14. At the present time, Respondent has made, and/or has agreed to make, the
6 following changes to its rating and underwriting practices:

7 a. On its online sales and marketing platform, Respondent agrees to provide to every
8 applicant and renewing insured, including without limitation, those applicants and
9 insureds who are already eligible for VBW-I and VB-II through their employers, a
10 quote for each of its current plans, coverages, and pricing options for which they
11 qualify in a format that displays the plans in a single view and allows side-by-side
12 comparisons.

13 b. On or about March 6, 2024, Respondent provided proof of complete system-wide
14 correction by demonstrating its in-effect online quote and enrollment center which
15 provides applicant/insured-specific quotes and coverage comparisons for each of
16 its current plans, coverages, and pricing options for which the applicant or insured
17 qualifies, in accordance with Insurance Code section 1858.1.

18 c. Respondent acknowledges it is required to continue to comply with its obligation
19 to provide to every applicant and renewing insured a quote for each of its current
20 and prospective plans, coverages, and pricing options for which they qualify in a
21 format that displays the plans in a single view and allows side-by-side
22 comparisons.

23 15. At the present time, the Department agrees that with these modifications,
24 Respondent has achieved compliance with California insurance laws with respect to its current
25 insurance programs and further agrees to continue to comply if and when Respondent offers any
26 new products.

27 16. This Stipulation represents a full and final settlement of all issues raised in the
28 Notice of Noncompliance between the Department and Respondent. This Stipulation is intended

1 by the parties to be an integrated writing representing the complete, final, and exclusive
2 embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements,
3 understandings, discussions, negotiations, and commitments (written or oral). This Stipulation
4 may not be altered, amended, modified, supplemented, or otherwise changed, except by a writing
5 executed by an authorized representative of each of the parties.

6 17. Respondent acknowledges that this Stipulation is a public record as required by
7 Government Code section 11517(d) and that this Stipulation will be accessible to the public
8 pursuant to the Public Records Act, Government Code sections 7920.000 *et seq.* The Stipulation
9 will be posted on the Department's Internet website pursuant to CIC section 12968.

10 18. Respondent acknowledges that CIC section 12921(b)(1) requires the
11 Commissioner to approve the final settlement of this matter. Both the settlement terms and
12 conditions in this Stipulation and the acceptance of those terms and conditions are contingent
13 upon the Commissioner's approval. Respondent understands and agrees that counsel for the
14 Department and Department staff may communicate directly with the Commissioner regarding
15 the Stipulation and the Order, without notice to or participation by Respondent or its counsel. By
16 signing the Stipulation, Respondent understands and agrees that it may not withdraw its
17 agreement or seek to rescind the Stipulation prior to the time the Commissioner considers and
18 acts upon the Stipulation and Order. If the Commissioner rejects the Stipulation and Order, the
19 Stipulation shall be of no force or effect except for this paragraph, it shall be inadmissible in any
20 legal action between the parties, and the Commissioner shall not be disqualified from further
21 action by having considered this matter.

22 19. This Stipulation will become final and effective when it is approved by the
23 Commissioner as evidenced by the execution of the Order provided below, expressly adopting
24 this Stipulation.

25 20. Respondent acknowledges that it freely and voluntarily executed this Stipulation
26 with full realization of its legal rights.

27 21. This Stipulation and Consent Order includes all acts covered in the Notice of
28 Noncompliance up to the date of this Stipulation and Consent Order. Nothing in this Stipulation


1 precludes any action of the Department in pursuing action against Respondent for failure to
2 correct problems that arise in the future that are the subject of this Stipulation and Consent Order.

3 22. Nothing contained in this Stipulation and Consent Order constitutes a limitation
4 upon, or a waiver of the rights and powers of the Commissioner to enforce any California law, to
5 examine the rating, underwriting and any other business practices of Respondent, to take
6 corrective or disciplinary action, to assess penalties against Respondent as provided for by law, or
7 to take such other action as necessary to protect the public. But the Department shall not seek any
8 additional penalty against Respondent based on any of the allegations contained in the Notice of
9 Noncompliance arising from acts occurring before the issuance of the Insurance Commissioner's
10 final order settling this matter.

11 23. The Commissioner retains jurisdiction to ensure that the Parties comply with the
12 provisions and terms of this Stipulation and the Order requested thereon.


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14 RESPONDENT

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17 Dated: March 26, 2024

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By 
Brent Otey, AVP of Pet Marketing
On behalf of VETERINARY PET INSURANCE
COMPANY

20 Dated: March 26, 2024

CALIFORNIA DEPARTMENT OF INSURANCE

By 
Nikki S. McKennedy

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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of the Rating and Underwriting Practices and Procedures of the

VETERINARY PET INSURANCE COMPANY (NAIC #42285),

Respondent.

File No. NC-2023-00004

ORDER ADOPTING STIPULATION AND CONSENT ORDER

ORDER

Having reviewed the parties' Stipulation and good cause appearing, I approve the terms of the Stipulation and adopt those terms as the Order of the Insurance Commissioner of the State of California in this matter.

Dated: June 24, 2024

RICARDO LARA
Insurance Commissioner



TERESA R. CAMPBELL
Deputy Commissioner and General Counsel

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2 **SERVICE LIST**
3 **In the Matter of the Rating and Underwriting Practices and Procedures of**
4 **Veterinary Pet Insurance Company (NAIC No. 42285), Respondent.**
5 **CDI File No. NC-2023-00004**

6 **Name/Address** **Method of Service**

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8 Senior Counsel – State Legal West
9 Office of Chief Legal Officer
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11 Phil Grevin, Esq.
12 AVP, Associate General Counsel
13 Strategy & Corporate Development Legal
14 **VETERINARY PET INSURANCE COMPANY**
15 Attorney(s) for Respondent
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18 pgrevin@nationwide.com

19 **NON PARTIES**

20 **Name/Address** **Method of Service**

21 Pam O’Connell E-Mail
22 Chief, Market Conduct Division
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29 Kenneth Allen E-Mail
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31 Rate Regulation Branch
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