

**[IN ACCORDANCE WITH CALIFORNIA INSURANCE CODE (CIC) SECTION 12938,
THIS REPORT WILL BE MADE PUBLIC AND PUBLISHED ON THE
CALIFORNIA DEPARTMENT OF INSURANCE (CDI) WEBSITE]**

**WEBSITE PUBLISHED REPORT OF THE MARKET CONDUCT
EXAMINATION OF THE CLAIMS PRACTICES OF**

**OHIO NATIONAL LIFE INSURANCE COMPANY
NAIC # 67172 CDI # 1142-9**

**OHIO NATIONAL LIFE ASSURANCE CORPORATION
NAIC # 89206 CDI # 2346-5**

AS OF NOVEMBER 30, 2014

ADOPTED DECEMBER 16, 2015

STATE OF CALIFORNIA



**CALIFORNIA DEPARTMENT OF INSURANCE
MARKET CONDUCT DIVISION
FIELD CLAIMS BUREAU**

NOTICE

The provisions of Section 735.5(a) (b) and (c) of the California Insurance Code (CIC) describe the Commissioner's authority and exercise of discretion in the use and/or publication of any final or preliminary examination report or other associated documents. The following examination report is a report that is made public pursuant to California Insurance Code Section 12938(b)(1) which requires the publication of every adopted report on an examination of unfair or deceptive practices in the business of insurance as defined in Section 790.03 that is adopted as filed, or as modified or corrected, by the Commissioner pursuant to Section 734.1.

TABLE OF CONTENTS

SALUTATION	1
FOREWORD.....	2
SCOPE OF THE EXAMINATION.....	3
EXECUTIVE SUMMARY OF CLAIMS SAMPLE REVIEWED.....	4
RESULTS OF REVIEWS OF MARKET ANALYSIS, CONSUMER COMPLAINTS AND INQUIRIES, AND PREVIOUS EXAMINATIONS	5
DETAILS OF THE CURRENT EXAMINATION	6
TABLE OF ALLEGED VIOLATIONS BY LINE OF BUSINESS	7
SUMMARY OF EXAMINATION RESULTS	8

DEPARTMENT OF INSURANCE

Consumer Services and Market Conduct Branch
Field Claims Bureau, 11th Floor
300 South Spring Street
Los Angeles, CA 90013



December 16, 2015

The Honorable Dave Jones
Insurance Commissioner
State of California
300 Capitol Mall
Sacramento, California 95814

Honorable Commissioner:

Pursuant to instructions, and under the authority granted under Part 2, Chapter 1, Article 4, Sections 730, 733, 736, and Article 6.5, Section 790.04 of the California Insurance Code; and Title 10, Chapter 5, Subchapter 7.5, Section 2695.3(a) of the California Code of Regulations, an examination was made of the claims handling practices and procedures in California of:

**Ohio National Life Insurance Company
NAIC # 67172**

**Ohio National Life Assurance Corporation
NAIC # 89206**

Group NAIC # 0704

Hereinafter, the Companies listed above also will be referred to as ONLIC, ONLAC or the Company or, collectively, as the Companies.

This report is made available for public inspection and is published on the California Department of Insurance website (www.insurance.ca.gov) pursuant to California Insurance Code section 12938(b)(1).

FOREWORD

The examination covered the claims handling practices of the aforementioned Companies on Life, Annuity and Disability Income claims closed during the period from December 1, 2013 through November 30, 2014. The examination was made to discover, in general, if these and other operating procedures of the Companies conform to the contractual obligations in the policy forms, the California Insurance Code (CIC), the California Code of Regulations (CCR) and case law.

The report is written in a “report by exception” format. The report does not present a comprehensive overview of the subject insurer’s practices. The report contains a summary of pertinent information about the lines of business examined, details of the non-compliant or problematic activities that were discovered during the course of the examination and the insurers’ proposals for correcting the deficiencies. When a violation that reflects an underpayment to the claimant is discovered and the insurers correct the underpayment, the additional amount paid is identified as a recovery in this report. While this report contains violations of law that were cited in this report by the examiners, additional violations of CIC § 790.03, or other laws, not cited in this report may also apply to any or all of the non-compliant or problematic activities that are described herein.

All unacceptable or non-compliant activities may not have been discovered. Failure to identify, comment upon or criticize non-compliant practices in this state or other jurisdictions does not constitute acceptance of such practices.

Alleged violations identified in this report, any criticisms of practices and the Companies’ responses, if any, have not undergone a formal administrative or judicial process.

SCOPE OF THE EXAMINATION

To accomplish the foregoing, the examination included:

1. A review of the guidelines, procedures, training plans and forms adopted by the Companies for use in California including any documentation maintained by the Companies in support of positions or interpretations of the California Insurance Code, Fair Claims Settlement Practices Regulations, and other related statutes, regulations and case law used by the Company to ensure fair claims settlement practices.

2. A review of the application of such guidelines, procedures, and forms, by means of an examination of a sample of individual claim files and related records.

3. A review of the California Department of Insurance's (CDI) market analysis results; a review of consumer complaints and inquiries about these Companies closed by the CDI during the period December 1, 2013 through November 30, 2014; and a review of previous CDI market conduct claim examination reports on these Companies.

The review of the sample of individual claims files was conducted at the offices of the California Department of Insurance in Los Angeles, California.

EXECUTIVE SUMMARY OF CLAIMS SAMPLE REVIEWED

The Life, Annuity and Disability Income claims reviewed were closed from December 1, 2013 through November 30, 2014, referred to as the “review period”. The examiners randomly selected 56 ONLIC claims files and 33 ONLAC claims files for examination. The examiners alleged no claims handling violations of the California Insurance Code from this sample file review.

RESULTS OF REVIEWS OF MARKET ANALYSIS, CONSUMER COMPLAINTS AND INQUIRIES, AND PREVIOUS EXAMINATIONS

The review of market analysis and consumer complaint information identified no specific areas of concern.

The previous claims examination reviewed a period from August 1, 2001 through July 31, 2002. The most significant noncompliance issue identified in the previous examination report was the Companies' failure to notify the beneficiary of the specified rate of interest paid. This issue was not identified as problematic in the current examination.

DETAILS OF THE CURRENT EXAMINATION

Further details with respect to the examination are provided in the following tables and summaries:

ONLIC SAMPLE FILES REVIEW			
LINE OF BUSINESS / CATEGORY	CLAIMS IN REVIEW PERIOD	SAMPLE FILES REVIEWED	NUMBER OF ALLEGED VIOLATIONS
Life /Individual Life	41	17	0
Annuity/Variable Annuity	80	32	0
Accident and Disability/ Disability Income	11	7	0
TOTALS	132	56	0

ONLAC SAMPLE FILES REVIEW			
LINE OF BUSINESS / CATEGORY	CLAIMS IN REVIEW PERIOD	SAMPLE FILES REVIEWED	NUMBER OF ALLEGED VIOLATIONS
Life/Individual Life	39	20	0
Accident and Disability /Disability Income	18	13	0
TOTALS	57	33	0

TABLE OF ALLEGED VIOLATIONS BY LINE OF BUSINESS

LIFE 2014 Written Premium: \$77,498,985 AMOUNT OF RECOVERIES \$0	NUMBER OF ALLEGED VIOLATIONS
SUBTOTAL	0

ANNUITY 2014 Written Premium: \$166,487,605 AMOUNT OF RECOVERIES \$0	NUMBER OF ALLEGED VIOLATIONS
SUBTOTAL	0

DISABILITY INCOME 2014 Written Premium: \$2,399,270 AMOUNT OF RECOVERIES \$0	NUMBER OF ALLEGED VIOLATIONS
SUBTOTAL	0

TOTAL	0
--------------	----------

SUMMARY OF EXAMINATION RESULTS

There were no violations alleged or criticisms of insurer practices made within the scope of this report. There were no recoveries obtained within the scope of this report.