



**Nationwide**<sup>®</sup>  
is on your side



# Protection for life's moments

ANNUAL  
REPORT  
2019



## It starts with you

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Since our inception in 1926, we've been committed to helping people protect what's most important. Whether you want protection for your belongings now or a plan in place for your future, we're here for you. And if you need help making the right decision, we make sure our distribution partners are at the ready. Nationwide is a protection company first and foremost, and we'll be there at every moment in your life.

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For more information, visit  
[nationwide.com/annualreport](https://nationwide.com/annualreport)

## Dedicated to delivering extraordinary care



Nationwide was founded more than 90 years ago as a mutual automobile insurance company, rooted in meeting the needs of our members in one state. Over time, we expanded into helping people across all 50 states protect their homes, livelihoods, businesses, pets and retirements. Today our mission has never been clearer: to protect people, businesses and futures with extraordinary care.

As we reflect on 2019, we're proud of the many ways we've lived our mission every day, placing you, our valued member, at the center of our actions and decisions. From new products and solutions that help you prepare for retirement, drive safer and smarter, care for your pets or protect your business, to exceptional care during life's most challenging moments — severe weather, the loss of a loved one, ups and downs in the financial markets or an unexpected event — our goal is for you to know we're On Your Side®.

At the core of Nationwide beats the heart of a mutual insurer. We believe that serving you is an honor and a privilege. For Nationwidors, it's about finding big and small ways to make a difference in the lives of others: a reassuring word after a home fire, expediting a 401(k) loan to cover a family emergency, successfully defending a business owner in a lawsuit or providing hands-on safety training for farm and ranch operators. We call these Mission Moments That Matter<sup>SM</sup> because delivering on our mission to protect you is our top priority and the reason we exist.

Our mission also extends into our communities through \$40.6 million in philanthropic investments from the Nationwide Foundation, more than 106,000 volunteer hours by Nationwide associates, environmental stewardship that's reduced our carbon footprint by 21 percent over nine years and a supplier diversity and inclusion program that fosters the growth and development of minority, women, lesbian, gay and veteran-owned enterprises.

Looking to the future, we're excited about opportunities to make your life better, easier and more secure through innovative products and enhanced customer service. We've invested heavily in the people and technology needed to bring these opportunities to you, and we are energized about our future.

We understand you have choices, and we're committed to making it easy for you to choose Nationwide for your protection needs. Thank you for being a part of the Nationwide family and placing your trust in us.

A handwritten signature in black ink that reads "Kirt A. Walker". The signature is fluid and cursive.

**Kirt Walker**  
**Chief Executive Officer**  
**Nationwide**

“  
Today our mission has never  
been clearer: to protect people,  
businesses and futures with  
extraordinary care.  
”

# Protecting our customers, partners and communities in 2019



## Innovative solutions for our customers and partners

We're making it easier to get the right protection — and enriching the lives of our customers and partners in the process.

P. 12

## Taking care of our present and our future

From donating blood to reducing our environmental impact, we're constantly working to address today's needs while keeping an eye on the future.

P. 20



## Financial strength and stability

We delivered extraordinary care to our members while maintaining a strong foundation, with nearly \$17 billion paid in claims and benefits and \$49 billion in sales.

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# We're here for you the entire way



## For your ride

- Private passenger vehicles
- Commercial vehicles
- Classic cars
- Sport vehicles



## For your business

- Commercial
- Farm and ranch
- Commercial agribusiness
- Corporate life
- Retirement plans
- Excess and surplus



## For your home

- Homeowners
- Renters
- Condo
- Personal liability/umbrella



## For your family

- Life
- Auto
- Homeowners



## For your free time

- Recreational vehicles
- Boats
- Sport vehicles
- Motorcycles
- Snowmobiles
- Travel



## For your future

- Annuities
- Mutual funds
- Retirement plans



## For your pet companion

- Dogs
- Cats
- Birds and exotic pets

**#1**  
in 457  
retirement plans

PLANSPONSOR, 2019  
Recordkeeping Survey.  
Based on number  
of plans.

**#1**  
pet  
insurer

North American Pet Health  
Insurance Association  
(2018).

**#1**  
writer of farms  
and ranches

By direct written premium  
(DWP), AM Best (2018).

**#3 writer of corporate life insurance**

IBIS Associates Inc. (February 2020).

**3rd largest writer of fixed indexed annuities**

LIMRA (YE 2018).

**4th largest U.S. domiciled excess and surplus insurer**

DWP, AM Best (2018).

**7th largest homeowners insurer**

DWP, AM Best (2018).

**7th largest writer of variable annuities**

Based on total flows, LIMRA (YE 2018).

**8th largest auto insurer**

DWP, AM Best (2018).

**9th largest commercial insurer**

DWP, AM Best (2018).

**9th largest provider of defined contribution retirement plans**

PLANSPONSOR, 2019 Recordkeeping Survey.  
Based on number of plans.

**10th largest life insurer**

Based on total premiums, LIMRA (YE 2018).

*Mission moments*

# Knowing the business

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When a member filed a claim regarding an overspray issue with his crop, one of Nationwide's agronomy team members, who is also a Certified Crop Advisor, was at the ready. Our team member addressed the claim and provided the support our member and our agency partner needed.



*Moments like this give us the opportunity to stand behind our farmers in ways no other company can.*

## Meeting customers and partners where they are

### A streamlined quoting experience

Nationwide Express<sup>SM</sup> is a new technology platform that enables agents to quote policies for auto, homeowners or renters insurance in as little as two minutes. It can also tailor coverages and bind and process policies in a fraction of the time it takes you now.

### Debt management at your fingertips

Nimbl<sup>SM</sup> by Nationwide is a new app that analyzes a user's financial situation, develops a plan to help them get out and stay out of debt and is flexible to adjust as their spending evolves.

### Simplifying small business insurance

Our new 24-hour commercial digital storefront gives eligible small business owners the ability to get a quote and purchase a policy in minutes.

### Promoting grain bin safety

Since 2014, we've partnered with agencies and agricultural companies to help reduce the number of injuries and deaths related to grain storage and handling. Through these efforts and donations, training and more than 100 grain rescue tubes have been awarded to 111 fire departments in 26 states.

**#1**  
in customer satisfaction  
with small commercial insurance<sup>1</sup>

  
**#1 writer of farms and ranches**  
By direct written premium,  
AM Best (2018).

<sup>1</sup> Nationwide received the highest score in the J.D. Power 2018 and 2019 U.S. Small Commercial Insurance Studies of customers' satisfaction with their insurance provider. Visit [jdpower.com/awards](http://jdpower.com/awards).





## Innovative solutions behind the wheel

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### Pay for the miles you drive

SmartMiles<sup>SM</sup> gives you more control over the cost of your auto insurance based on how much you drive.

### Making our roads safer

Vantage 360 Fleet<sup>SM</sup> offers business owners who manage fleet vehicles a way to monitor, identify and reduce distracted driving behaviors to keep their vehicles, drivers and the public safe.

We've also teamed up with Lytx<sup>®</sup> to deliver a new DriveCam<sup>®</sup> safety program, which provides fleet managers of long-haul truckers capabilities that combine machine vision and artificial intelligence to help improve driving habits.



## Providing the right protection for what's ahead

### Protecting and growing retirement savings

We offer innovative solutions for planning for retirement, such as an annuity with features that help protect a customer's money as they accumulate retirement savings. This offering provides protection from market risk, growth potential with guarantees and protection for a spouse.

### Delivering care that fits customer needs

We have flexible long-term care coverage with accessibility, features and opportunities for advisors to help clients receive care where they feel most comfortable and at home. This coverage is linked to a universal life insurance policy, so benefits are paid whether long-term care is needed or not.

<sup>2</sup> J.D. Power 2019 U.S. Retirement Plan Participant Satisfaction Study.

### Offering hassle-free life insurance

We're making it easier to apply for life insurance with a more efficient underwriting process. Underwriting decisions are made faster, fewer physician statements are needed, healthier clients may avoid unnecessary labs or exams and agents spend less time doing application paperwork.

### Helping people plan for and live in retirement

In 2019, we supported more than 345,000 new participants across our retirement plans business and developed a mobile app to make it easier to manage accounts. To help customers save for health care in retirement, we introduced a Health Savings Account and provided education on its benefits.

**3rd**  
largest writer of fixed indexed annuities

LIMRA (YE 2018).

**Top 3**  
in customer satisfaction

across small, medium and large retirement plan segments<sup>2</sup>



*Mission moments*

# Caring for people everywhere

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Jason Taylor, an associate in our Claims Special Investigation Unit, was affected firsthand by catastrophic flooding that overwhelmed the southeastern part of our country. He joined area residents in a fleet of small boats to look for stranded people, pets and livestock, transporting everyone they found to safety.



*Moments like this show how our associates extend our caring culture into our communities.*

# Protecting the present and the future

Our corporate sustainability efforts focus on the needs that affect our business and the communities where we live and work. We want to address today's needs while protecting the ability of future generations to meet theirs.



## Reducing our carbon footprint

During the past nine years, we've greatly reduced our carbon footprint. We're sourcing and investing in renewable energy, increasing our building efficiencies by conducting energy audits and installing energy-efficient equipment and building automation.

## Investing with purpose

Nationwide offers Environmental, Social and Governance (ESG) funds that help investors stay true to their values as they pursue their long-term performance goals. These funds allow them to put their money to work in companies that reflect their personal values.

## Building a diverse and inclusive workforce

Bringing together a diverse and inclusive workforce is an integral part of who we are and how we operate. Plus, we're dedicated to identifying and establishing positive business relationships with diverse suppliers.

## Operating with fairness and integrity

Honesty and integrity form the cornerstone of our foundation. Maintaining our values requires our associates to deal fairly with our customers, suppliers, competitors and each other. Our Board of Directors also consistently assesses its performance and holds itself accountable for adhering to the highest standards of professionalism and performance.

Reduced our carbon footprint by **21 percent** in the past 9 years



Diverted over **2.4 million** plastic water bottles from landfills



Recycled nearly **900 pounds** of batteries in 2019

# Making a difference in our communities

National partners:



## Supporting children's health

For more than 60 years, Nationwide has been working with Nationwide Children's Hospital to help ensure every child has access to quality medical care. Our associate volunteers heavily support several sponsored events that benefit the hospital, such as the Memorial Tournament and the Nationwide Children's Hospital Columbus Marathon.

## Saving lives for 75 years

We sponsor nearly 300 blood drives every year at more than 24 locations across the country. We also opened the first corporate American Red Cross on-site blood donor center and funded 10 bloodmobiles through the Nationwide Foundation.

Donated over  
**14,000 units of blood**  
that may have saved the lives of  
**42,000 people**

Contributed  
**\$7.7 million**  
to United Way

## Preventing opioid abuse

The Ohio Opioid Education Alliance, formed in 2018, unites over 90 public and private entities — including Nationwide, a founding member — to raise awareness about the opioid crisis in Ohio and deliver calls to action to parents and caregivers to help prevent prescription opioid abuse.

**\$4 million**  
given by the Nationwide Foundation to opioid abuse education and prevention

Provided  
**3.1 million meals**  
to Feeding America<sup>3</sup>

<sup>3</sup> Number of meals calculated by Nationwide is based on annual cash and food donations made in 2019 to local Feeding America member food banks, calculated using their local meal claims.

raised  
**\$38 million**  
through sponsored  
events since 2011

*For Nationwide  
Children's Hospital, we've:*

donated  
**\$110 million**  
through the Nationwide  
Foundation since 2006





# Fostering a culture that cares

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We're committed to creating a positive, inclusive and diverse culture focused on our associates, partners and communities.

**FORTUNE 100**  
Best Companies to Work For®

**FORTUNE 100**  
Best Workplaces for Diversity®

**PEOPLE's**  
50 Companies  
that Care

**Secretary of  
Defense Employer  
Support Freedom  
Award**

## Preserving our strength by meeting customer needs



There are many ways a company can offer protection. One of the ways we protect our members, our partners and our business is through the diverse range of products we offer. While this helps us better meet members' needs, it also helps us protect the strength and stability of our business over the long term. When certain product lines are pressured by significant losses or challenging market conditions, we can offset those challenges through profitable growth in other areas.

During the past few years, our industry faced significant weather-related losses and profitability challenges in standard auto. We've made steady progress in addressing loss trends in standard auto, while at the same time profitably growing and investing in other parts of our business, such as financial services and innovation. By having the breadth of solutions that we do, we've been able to drive strong results even during difficult times.

In 2019, we delivered profitable growth across all areas of our business: financial services, commercial lines and personal lines. In total, we drove **\$49 billion in sales and \$2 billion in net operating income**. Many of our product lines delivered year-over-year growth, including annuities, retirement plans, life, excess and surplus, farm and commercial agribusiness. We provided protection for those things that matter most to our members — their possessions, their businesses and their futures.



**\$17 billion**  
paid in claims and  
other benefits in 2019

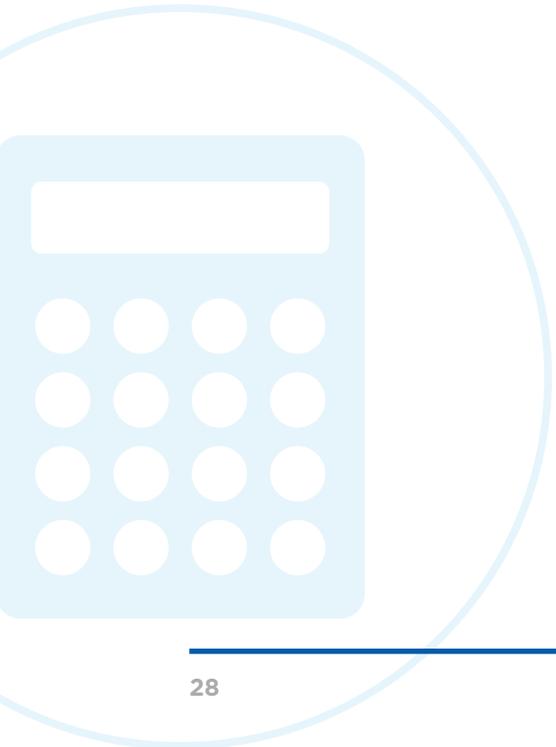
We were also there to protect our members when they needed us. In 2019, there were 60 catastrophic events across the U.S. that impacted our policyholders, resulting in more than 64,000 claims. Nationwide paid \$17 billion in claims and other benefits to members during the year.

Moving forward, we continue to invest in designing and developing solutions that create value and make it easier to do business with us. We're excited about the future and the plans we have in place to help us protect our members and partners in new and innovative ways.

**Mark Thresher**  
Chief Financial Officer  
Nationwide

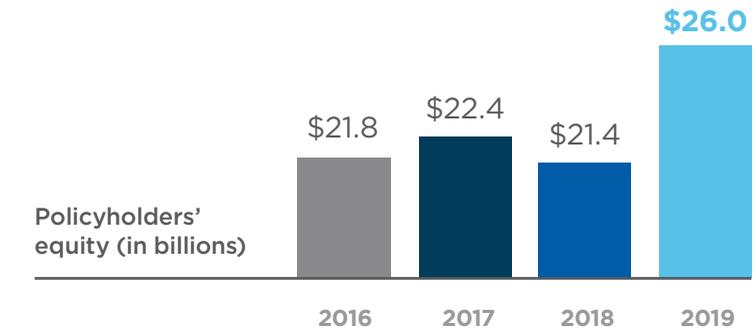


# Nationwide by the numbers



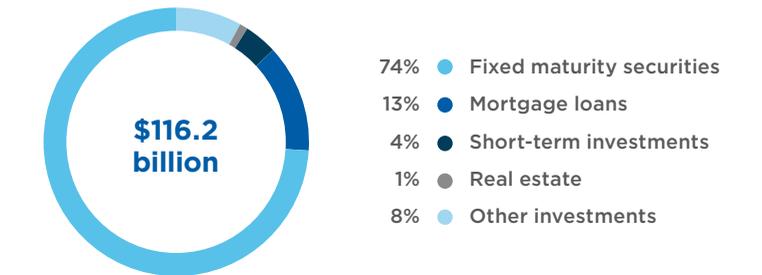
## Capital strength

Nationwide's capital position is strong, enabling us to continue to serve our members and partners and grow our company well into the future.



## Investments

In 2019, total investments **increased to \$116.2 billion**, up from \$101.1 billion in 2018. Net investment income of **\$4.2 billion** was up from 2018, driven primarily by fixed maturity income and income from other investments.



We are a  
**FORTUNE 100**  
company

**A+**  
AM Best  
received 10/17/2002  
affirmed 12/17/2019

**A+**  
Standard & Poor's  
received 12/22/2008  
affirmed 5/15/2019

**A1**  
Moody's  
received 3/10/2009  
affirmed 11/17/2017

## Board of Directors

Timothy Corcoran  
*Chairman*

Jeffrey Zellers  
*Vice Chairman*

Craig Adams

Jacquelin Fernandez

Stephen Hirsch

Marc Howze

Daniel Kelley

M. Diane Koken

Terry McClure

Debora Plunkett

Brent Porteus

Suku Radia

Michael Toelle

Sara Martinez Tucker

Kirt Walker

Sparky Weilnau

## Senior Executive Leadership

Kirt Walker  
*Chief Executive Officer*

Mark Berven  
*President and Chief Operating Officer,  
Nationwide Property and Casualty*

John Carter  
*President and Chief Operating Officer,  
Nationwide Financial*

James Fowler  
*Chief Technology Officer*

Mark Howard  
*Chief Legal Officer*

Ramon Jones  
*Chief Marketing Officer*

Gale King  
*Chief Administrative Officer*

Michael Mahaffey  
*Chief Strategy and Corporate  
Development Officer*

Amy Shore  
*Chief Customer Officer*

Mark Thresher  
*Chief Financial Officer*





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is on your side

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One Nationwide Plaza  
Columbus, OH 43215-2220  
**Nationwide.com**

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