Meeting Between Federal Reserve Staff and Representatives of Nationwide Insurance
August 11, 2011

Participants: Barbara Bouchard, Gillian Burgess, Mark Carey, William Treacy and Michael Waldron (Federal Reserve Board)

Gail Bernstein (WilmerHale); and Bridget Hagan, Michael Mahaffey and Jennifer Nickell-Thomas (Nationwide)

Summary: Staff of the Federal Reserve Board (“Board”) met with representatives of Nationwide Insurance, a mutual insurance company and a savings and loan holding company, relating to the issuance of a proposed rule on incentive compensation by the Board and six other federal agencies.

The discussion focused on the potential impact of the proposed rule, if finalized, on Nationwide’s compensation practices. While Nationwide’s representatives indicated that they believe that their compensation practices are consistent with the proposed rule, as well as the interagency guidance on compensation practices issued by the federal banking agencies in 2010, they did wish to describe their current incentive compensation practices in some detail and express some concerns about the proposed rule. These concerns expressed related to the treatment of a multi-year performance period plan under the proposal, including the treatment of such a plan under the deferral requirement; the interaction of such a plan with other, shorter-term compensation plans; and the meaning of terms such as “grant” and “award” as applied to such plans. The Nationwide representatives also made comments on the proposed effective date of any final rule and the treatment of existing compensation plans.

The comments of the Nationwide representatives were similar to comments contained in their comment letter on the proposed rule, although not all of the issues mentioned in the comment letter were raised.