

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**  
APR 11 2014  
INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.  
DOAK, Insurance Commissioner,  
  
Petitioner,  
  
vs.  
  
SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC. a licensed adjuster in the  
State of Oklahoma,  
  
Respondent.

Case No. 14-0341-DIS

**CONDITIONAL ADMINISTRATIVE ORDER**  
**AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, ex rel., John D. Doak, Insurance Commissioner,  
by and through counsel, and alleges and states as follows:

**JURISDICTION**

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code. 36 O.S. §§ 101 et seq.

2. Respondent Sedgwick Claims Management Services, Inc. (“Respondent”) is a licensed nonresident adjuster in the State of Oklahoma holding license number 7127. Its mailing address is 1100 Ridgeway Loop Road, Suite 200, Memphis, TN 38120-4053.

**ALLEGATIONS OF FACT**

1. On or about February 4, 2014, consumer Dolores Salone complained to the Department that Respondent had failed to pay a claim regarding her hot water heater. The Department’s Consumer Assistance Division mailed a letter to Respondent dated February 6,

2014, requesting it provide the Department with an adequate written explanation of its position in the matter within thirty (30) days, pursuant to 36 O.S. § 1250.4(B).

2. When no response was received, the Consumer Assistance Division mailed a subsequent letter dated March 11, 2014, stating that no reply was received regarding the February 6, 2014, letter of inquiry.

3. Thereafter, a representative of the Respondent telephoned the Consumer Assistance Division and stated they had not received the February 6, 2014, letter nor Salone's request for assistance. An analyst in that Division then faxed and mailed all copies previously sent and stamped "copy" on top of each document.

4. The Respondent replied by letter dated March 24, 2014, via facsimile on March 25, 2014, through representative Suzan Curda, who included with her response letter, the Department's initial letter dated February 4, 2014, and the Salone request for assistance. All pages were stamped as being received by Respondent on February 19, 2014. The pages lacked the "copy" stamp affixed by the Consumer Assistance analyst. (Exhibit "A").

### **CONCLUSIONS OF LAW**

1. Every agent, adjuster, administrator, insurance company representative, or insurer upon receipt of any inquiry from the Commissioner shall, within thirty (30) days from the date of the inquiry, furnish the Commissioner with an adequate response to the inquiry. 36 O.S. § 1250.4(B).

2. Respondent has violated 36 O.S. § 1250.4(B) by failing to furnish an adequate response to an inquiry from the Commissioner within thirty (30) days from the date of receipt on February 19, 2014.

**ORDER**

**IT IS THEREFORE ORDERED that Respondent is fined in the amount of Five Hundred Dollars (\$500.00). The fine is to be submitted to the Oklahoma Insurance Department within thirty (30) days of the date of this Order.**

Respondent is further notified that it may request a hearing within thirty (30) days of the receipt of this Order and upon such request a hearing shall be conducted before an independent hearing examiner. A request for hearing shall be made in writing to Julie Meaders, Deputy General Counsel, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> Suite 100, Oklahoma City, Oklahoma 73112, and shall state the basis for the request.

The hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq. and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 et seq. If Respondent does not request a hearing within 30 days of receipt of this Order, it shall become a **FINAL ORDER** on the 31<sup>st</sup> day following said receipt. If Respondent timely serves a request for hearing, this Conditional Order shall act as a notice of the matters to be reviewed at the hearing and the Allegations of Fact, Alleged Violations of Law, and penalty imposed in this Conditional Order shall be considered withdrawn, pending final resolution of this matter through hearing.

**WITNESS** My Hand and Official Seal this 11<sup>th</sup> day of April, 2014.



JOHN D. DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

*Julie Meaders*

Julie Meaders  
Deputy General Counsel  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma 73112  
(405) 521-2746

**CERTIFICATE OF SERVICE**


I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order was mailed certified, return receipt requested, on this 11<sup>th</sup> day of April, 2014 to:

Sedgwick Claims Management Services, Inc.  
1100 Ridgeway Loop Road, Suite 200  
Memphis, TN 38120-4053

Certified Mail No.  
7001 0320 0004 4249 5067

and a copy was delivered to:

Consumer Assistance Division

  
\_\_\_\_\_  
Julie Meaders

Governor  
Mary Fallin

Insurance Commissioner  
John Doak



February 6, 2014

SEDGWICK CLAIMS MGMT. SVCS., INC  
CO PATRICIA SULLINS  
1100 RIDGEWAY LOOP RD  
MEMPHIS TN 38120-4053

RE: DOLORES SALONE  
OID FILE NUMBER:44068

Dear Ladies and Gentlemen:

01225161704102  
20140219154270

Enclosed you will find a copy of a Request for Assistance we have received from the above inquirer. Please review this correspondence and advise this office of your position. We ask that you use our file number on all correspondence concerning this inquiry.

Section 1250.4 (B) of the Oklahoma Insurance Code requires that your company provide this Department with an adequate written explanation regarding your position taken in this matter. Your response must be received by this office no later than thirty (30) days from the date of this letter.

Your response must include the full name of the insuring company and the corresponding NAIC company code. This will ensure that we associate the record of the complaint with the appropriate entity.

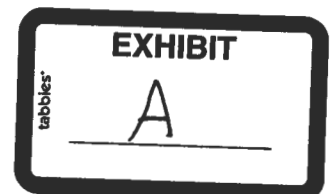
We also request that you provide a copy of the policy in question, and further request that you provide a specific contact person who will be handling this matter, their direct telephone number and e-mail address.

Thank you in advance for your assistance and your timely response. This department looks forward to working with you in resolving the insurance problems of this consumer.

Sincerely,

Jessica Nunez  
Property and Casualty Analyst  
Consumer Assistance/Claims Division  
jessica.nunez@oid.ok.gov  
(405)521-2991 Phone (405) 521-6652 Fax

Enclosure



# REQUEST FOR ASSISTANCE

TO: OKLAHOMA INSURANCE DEPARTMENT  
 Five Corporate Plaza  
 3825 NW 58th, Suite 100  
 OKLAHOMA CITY, OK 73112



DATE: 1/26/13

FROM: <sup>Chf. Exec. Off.</sup> Dolores Salome Telephone # (405) 427-2327  
 Address: 3308 N. Collins Blvd. City/State: Oklahoma City Zip: 73121

If Insured or Health Maintenance Organization ("HMO") member is different than person requesting assistance, complete the following:

Insured or HMO Member's name: \_\_\_\_\_ Telephone #: (\_\_\_\_) \_\_\_\_\_  
 Address: \_\_\_\_\_ City/State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name of INSURANCE CO, about which you are requesting assistance: Frontier Insurance

Address: (on back) City/State: \_\_\_\_\_ Zip: \_\_\_\_\_

Policy Number: \_\_\_\_\_ Effective Date: \_\_\_\_\_ Type of Insurance: \_\_\_\_\_  
(Auto, Home, Commercial, Accident & Health)

Agent's Name: \_\_\_\_\_ Telephone No.: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City/State \_\_\_\_\_ Zip \_\_\_\_\_

Adjuster's Name: \_\_\_\_\_ Telephone No.: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City/State \_\_\_\_\_ Zip \_\_\_\_\_

Name of HMO about which you are requesting assistance: \_\_\_\_\_

Address: \_\_\_\_\_ City/State: \_\_\_\_\_

Member ID Number or SSN: \_\_\_\_\_ Date of Service: \_\_\_\_\_

Provider's (Doctor) Name: \_\_\_\_\_ Telephone No.: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City/State \_\_\_\_\_ Zip \_\_\_\_\_

Provider's (Hospital) Name: \_\_\_\_\_ Telephone No.: (\_\_\_\_) \_\_\_\_\_

01275  
 Oklahoma Insurance Department  
 RECEIVED  
 FEB 01 2013  
 Consumer Assistance Division

### INQUIRY/COMPLAINT

Please give as detailed information as possible including dates, explanation, and what solution you feel is correct. Attach copies of any other correspondence related to the complaint.

I am an eighty five year old Hispanic patient with terminal cancer who has had customer for a number of years. I have never had a complaint against Seaw. I will appreciate any assistance you will give me.

(Continue on the back)

With this knowledge, I give my consent to the release of all information in my medical records including any information concerning my identity and release the OKLAHOMA INSURANCE DEPARTMENT and its duly authorized agents and employees from any liability in connection with the release of the information contained herein.

Signature: Dolores Salome Date: 1/26/13

FOR INSURANCE DEPARTMENT USE ONLY					
Complaint number	Claim Analyst		Date Entered	Med. Suppl. (A-F)	
Complainant type	Complainant letter		Coverage	1. _____	2. _____ 3. _____
Entity number	1. _____	2. _____ 3. _____	Reason for complaint	1. _____	2. _____ 3. _____
Entity type	1. _____	2. _____ 3. _____	Dispositions	1. _____	2. _____ 3. _____
Entity location	1. _____	2. _____ 3. _____	Inquirer	<small>(Print name in block)</small>	
Entity letter	1. _____	2. _____ 3. _____	Date resolved	Amount \$	

CLAIMS

OTD 11/04

INQUIRY/COMPLAINT (continued)

I had had a very satisfactory experience with Sears until now and I am still waiting and hoping that they will make corrections in that I will appreciate.

The first of October 2012 I noticed my hot water leaking and I called for service. The technician came, tagged the heater and said it needed replacement and someone from Sears would call. Day after day I called because the heater had covered the floor where the pressure tank, water heater and the heating unit are stored. My water system is nearby but not in the closet where the other units are stored. The water seeped from the closet and I was hoping my water system would not be damaged.

I could not understand why the many people in the service department said they would help me.

After seeking help I called my attorney who made contact with someone who was to have helped to solve the problem. There was no response. Several months passed by then the hot water completely dry. I no longer had hot water which was an inconvenience. A relative called "In your corner" who immediately the attorney of Sears. I received a call from "Harold" who was a plumber with Watsone plumbing. He stated he would come to install my hot water heater there would be no charge. Charlie came from Tulsa Oklahoma and installed the heater August 1, 2013. He placed the heater on the floor. I asked why he put it on the floor instead of elevating. His answer was it did not <sup>need to</sup> be spaced up. After asking some <sup>one</sup> who was in that capacity we were told it should be seven inches from the floor. We called Charlie and he <sup>said</sup> would take care of it but has not called and now we cannot get in touch with him.

I have filed a complaint because there is corrosion in the closet because of the moisture that was accumulating over a long period. I am waiting now for the following:

Segrick Claims Management	1 Segrick - Insurance Co
Sears Inc	2. Catalin Children - Insurance claim
PO Box 14448	3 Claim no. L1308235125_0001
Lexington, Ky 40512-4448	

Sears and Insurance should have received several months ago the information they requested.

CLADES

010 11/03

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

**OFFICIAL USE**

7001 0320 0004 4249 5067

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$</b>



Sent To \_\_\_\_\_  
 Street, Apt. No., or PO Box No. \_\_\_\_\_  
 City, State, ZIP+4 \_\_\_\_\_

Sedgwick Claims Management Services, Inc.  
 1100 Ridgeway Loop Road, Suite 200  
 Memphis, TN 38120-4053  
 rg/14-0341-DIS/Cond. Adm. Ord.

PS Form 3800, January 2001

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>R. Fitz</u> C. Date of Delivery <u>4.16.14</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes                  If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">OKLAHOMA INSURANCE DEPARTMENT</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p>Sedgwick Claims Management Services, Inc. <b>APR 22 2014</b>                      1100 Ridgeway Loop Road, Suite 200                      Memphis, TN 38120-4053                      rg/14-0341-DIS/Cond. Adm. Ord.</p> </div> <p style="text-align: right;">Legal Division</p>	<p>B. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number                  (Transfer from service label)</p>	<p style="text-align: center; font-size: 1.2em;">7001 0320 0004 4249 5067</p>
<p>PS Form 3811, February 2004</p>	<p style="text-align: right;">Domestic Return Receipt 102595-02-M-1540</p>