

**PROCEEDING BEFORE THE HONORABLE ALLAN L. MCVEY  
INSURANCE COMMISSIONER  
STATE OF WEST VIRGINIA**

**IN RE:  
LOWES HOME CENTERS LLC**

**ADMINISTRATIVE PROCEEDING #  
18-AP-MCSI-02001**

**AGREED ORDER ADOPTING REPORT OF  
SELF-INSURED COMPLIANCE AUDIT, DIRECTING  
CORRECTIVE ACTION AND ASSESSING PENALTY**

NOW COMES The Honorable Allan L. McVey, Insurance Commissioner of the State of West Virginia, and issues this Agreed Order which adopts the Report of Self-Insured Compliance Audit, directs corrective action and assesses a penalty. The Agreed Order is a result of findings in the Report of Self-Insured Compliance Audit for the examination of **LOWES HOME CENTERS LLC** for the audit period ending March 31, 2018, based upon the following, to wit:

**PARTIES**

1. The Honorable Allan L. McVey is the Insurance Commissioner of the State of West Virginia (hereinafter "Insurance Commissioner") and is charged with the duty of administering and enforcing, among other duties, the provisions of Chapter 33 and 23 of the West Virginia Code, as amended, including all Code of State Rules.

2. **LOWES HOME CENTERS LLC** is a corporation authorized to transact and conduct its workers' compensation affairs in a self-insured capacity in West Virginia pursuant to the provisions of W. Va. Code §23-2-9.

3. This self-insured audit was conducted and instituted as result and per the authority of W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and W.Va. Code R. §85-18-1, *et seq.*

**FINDINGS OF FACT**

1. A Self-Insured Compliance Audit concerning the operational affairs of **LOWES**

HOME CENTERS LLC for the period ending March 31, 2018, was conducted in accordance with W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and W.Va. Code R. §85-18-1, *et seq.* by auditors duly appointed by the Insurance Commissioner. The Self-Insured Compliance Audit of the Self-Insured Employer began on May 14, 2018 and concluded on June 28, 2018.

2. On August 7, 2018, the examiner filed with the Insurance Commissioner, pursuant to W. Va. Code § 33-2-9(j) (2), a Self-Insured Compliance Audit Report.

3. A true copy of the Report of Self-Insured Compliance Audit was sent to LOWES HOME CENTERS LLC, along with this Agreed Order Adopting Report of Self-Insured Compliance Audit and Directing Corrective Action.

4. LOWES HOME CENTERS LLC was notified pursuant to W. Va. Code § 33-2-9(j) (2) that it had thirty (30) days after receipt of the Self-Insured Compliance Audit Report to file a submission or objection with the Insurance Commissioner, or it could enter into this Agreed Order if it had no objections to the Self-Insured Compliance Audit Report.

5. The Self-Insured Compliance Audit Report focused on the methods used by the Self-Insured Employer to manage its operations for each of the business areas examined which includes how the Self-Insured Employer complies with West Virginia statutes and rules.

6. The exam discovered nine (9) areas where there was not one hundred percent compliance.

7. LOWES HOME CENTERS LLC agreed to enter into this Order.

8. LOWES HOME CENTERS LLC hereby waives additional notice and review of the Self-Insured Compliance Audit Report, notice of administrative hearing, any and all rights to an administrative hearing and to appellate review of any matters contained herein this Agreed Order.

#### **CONCLUSIONS OF LAW**

1. The Insurance Commissioner has jurisdiction over the subject matter of and the parties to this proceeding.

2. This proceeding is pursuant to and in accordance with W.Va. Code §33-2-9, W.Va. Code §23-2-9, W.Va. Code §23-2C-22, W.Va. Code §33-2-21 and W.Va. Code R. §85-18-1, *et seq.*

3. That LOWES HOME CENTERS LLC has incurred violations of W. Va. Code and/or W. Va. Code of States Rules as detailed in the Report of Self-Insured Compliance Audit including but not limited to:

(A.) **Claims Standard B1** (Twenty-three (23) violations) – The Self-Insured Employer did not issue an initial ruling letter as required by West Virginia law. W.Va. Code §23-4-1c and W.Va. Code R. §85-1-10.1.

(B.) **Claims Standard C1** (Nineteen (19) violations) – The Self-Insured Employer did not issue Temporary Total Disability award letters as required by W.Va. Code §23-5-1.

(C.) **Claims Standard C3** (Fifteen (15) violations) – The Self-Insured Employer did not calculate and pay indemnity payments as required by Informational Letter 162A. This resulted in underpayments in violation of W.Va. Code §23-4-14(b)(2).

(D.) **Claims Standard C4** (Nineteen (19) violations) – The Self-Insured Employer did not issue letters closing temporary total disability benefits as required by W.Va. Code §§23-5-1, 23-4-7a and 23-4-22.

(E.) **Claims Standard J1** (Twenty-three (23) violations) – The Self-Insured Employer failed to issue a ruling letter in twenty-three (23) denied claims in violation of W.Va. Code §23-4-1-c.

(F.) **Claims Standard J4** (One (1) violation) – The Self-Insured Employer did not issue a denial ruling letter with the protest language as required by W.Va. Code §§23-5-1(b)(1) and 23-4-3(f) and W.Va. Code R. §§85-1-7.2 and 85-21-10.2b.

(G.) **Claims Standard M3** (Thirty (30) violations) – The Self-Insured Employer did not report closure of the claim as required by W.Va. Code §23-2C-5(c)(8) and W.Va. Code R. §85-2-1 *et. seq.* and West Virginia Offices of the Insurance Commissioner's Electronic Data

Interchange (EDI) Implementation Guide.

4. The Insurance Commissioner is charged with the responsibility of verifying continued compliance with West Virginia Code and the West Virginia Code of State Rules by LOWES HOME CENTERS LLC as well as all other provisions of state law that LOWES HOME CENTERS LLC is subjected to by virtue of its self-insured workers' compensation status in the State of West Virginia.

5. The Insurance Commissioner has determined that LOWES HOME CENTERS LLC failed to fully remediate claims deficiencies identified in a 2015 Market Conduct Examination. In particular, three claims did not have proper SROI reporting and one medical only claim did not have a decision letter issued.

6. Any Conclusion of Law that is more properly a Finding of Fact is hereby incorporated as such and adopted in the previous section.

#### **ORDER**

Pursuant to W. Va. Code § 33-2-9(j)(3)(A), following the review of the Self-Insured Compliance Audit Report, the examination work papers, and LOWES HOME CENTERS LLC's Response thereto, if any, the Insurance Commissioner and LOWES HOME CENTERS LLC have agreed to enter into this Agreed Order adopting the Self-Insured Compliance Audit Report. The Parties have further agreed to the imposition of corrective action and an administrative penalty against LOWES HOME CENTERS LLC as set forth below.

It is accordingly **ORDERED** as follows:

(A) The Self-Insured Compliance Audit Report of LOWES HOME CENTERS LLC for the period ending March 31, 2018, is hereby **ADOPTED** and **APPROVED** by the Insurance Commissioner.

(B) It is **ORDERED** that LOWES HOME CENTERS LLC will endeavor to comply with the recommendations in the Report of Self-Insured Compliance Audit adopted herein.

(C) It is further **ORDERED** that LOWES HOME CENTERS LLC shall continue to

monitor its compliance with the West Virginia Code, the West Virginia Code of State Rules and all laws it is subject thereto.

(D) LOWES HOME CENTERS LLC shall specifically cure those violations and deficiencies identified in the Self-Insured Claims Audit Report including providing appropriate restitution (where applicable) or other immediate handling of the issue so as to bring the violations into compliance and conformity with the Commissioner's findings, recommendations and any applicable law(s) to the extent the same has not already been completed and/or accomplished. LOWES HOME CENTERS LLC shall review its entire population of indemnity payments in West Virginia and ensure the benefit amounts have been calculated correctly and provide appropriate restitution.

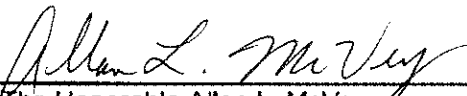
(E) It is further **ORDERED** that LOWES HOME CENTERS LLC shall file a Corrective Action Plan which will be subject to the approval of the Insurance Commissioner. The Corrective Action Plan shall detail LOWES HOME CENTERS LLC'S changes to its procedures and/or internal policies to ensure compliance with the West Virginia Code and West Virginia Code of State Rules. It shall further incorporate all recommendations of the Insurance Commissioner's examiners and address all violations specifically cited in the Self-Insured Compliance Audit Report. The Corrective Action Plan outlined in this Order must be submitted to the Insurance Commissioner for approval within thirty (30) days of the entry date of this Agreed Order. LOWES HOME CENTERS LLC shall implement reasonable changes to the Corrective Action Plan if requested by the Insurance Commissioner within thirty (30) days of the Insurance Commissioner's receipt of the Corrective Action Plan. The Insurance Commissioner shall provide notice to LOWES HOME CENTERS LLC if the Corrective Action Plan is disapproved and the reasons for such disapproval within thirty (30) days of the Insurance Commissioner's receipt of the Corrective Action Plan.

(F) The Insurance Commissioner has determined and it has been agreed by LOWES HOME CENTERS LLC and therefore, it is hereby **ORDERED** that LOWES HOME CENTERS LLC shall pay an administrative penalty of Ten Thousand Dollars (\$10,000.00) to the State of West Virginia for non-compliance with the West Virginia law as described herein. The payment

of this administrative penalty is in lieu of any other regulatory penalty and is due within **THIRTY (30) calendar days** upon execution of this Order.

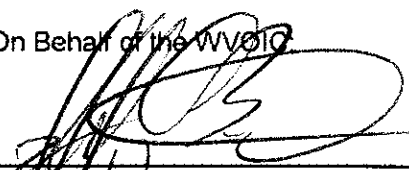
(G) It is finally **ORDERED** that all such review periods, statutory notices, administrative hearings and appellate rights are herein waived concerning this Self-Insured Compliance Audit Report and Agreed Order. All such rights are reserved by the Parties regarding any future action taken, if any, on such Agreed Order by the Insurance Commissioner against LOWES HOME CENTERS LLC

Entered this 10<sup>th</sup> day of October, 2018.

  
The Honorable Allan L. McVey  
Insurance Commissioner  
State of West Virginia

**REVIEWED AND AGREED TO BY:**

On Behalf of the WV010

  
Jeffrey C. Black, Associate Counsel  
Attorney Supervisor  
Regulatory Compliance and Enforcement

Dated: 10/10/18

On Behalf of LOWES HOME CENTERS LLC:

By: TIA Schweikert  
[Print Name]

Its: \_\_\_\_\_

Signature: 

Dated: \_\_\_\_\_

**Report of Self-Insured Claims Compliance Examination**

As of 3/31/2018



**Lowe's Home Centers, LLC  
1000 Lowe's Boulevard  
 Mooresville, NC 28117**

**TPA  
Sedgwick Claims Management Services, Inc.**

**Examination Number: 18-MCSI-02001**

Date Prepared:  
**August 7, 2018**

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August 7, 2018

The Honorable Alan McVey  
West Virginia Insurance Commissioner  
900 Pennsylvania Avenue  
Charleston, West Virginia 25305

Dear Commissioner McVey:

Pursuant to your instructions and in accordance with West Virginia Code §§33-2-9, 33-2-10(b), 33-2-21(a), 23-1-1, 23-2-9(b)(1) & (2), §23-2C-22 and West Virginia Code of State Rules Title 85, a Market Conduct examination has been made for the period of 1/1/2015 through 03/31/2018 of the business affairs of

Lowe's Home Centers, LLC  
1000 Lowe's Boulevard  
 Mooresville, NC 28117

hereinafter referred to as the "Self-Insured Employer." The following report of the findings of this examination is herewith respectfully submitted.

## EXECUTIVE SUMMARY

This Self-Insured Market Conduct Compliance Examination (“examination”) was initiated to determine the compliance of Lowe’s Home Centers, LLC with the West Virginia statutes, rules and regulations governing the self-administration of workers’ compensation claims.

The examination work related to Lowe’s Home Centers LLC began on May 14, 2018 and concluded June 28, 2018. Lowe’s maintains an electronic environment; the majority of the examination work was conducted by electronic virtual private network through the Third-Party Administrator’s (“TPA’s”), Sedgwick Claims Management Services, Inc. computer systems.

The following are areas of concern:

**B1-** Twenty- three (23) compensable claims had no initial ruling letter issued in violation of W.Va. Code §§23-4-1c (a) and (b) and & W.Va. Code R. §85-1-10.1.

**C1-** Nineteen (19) claims did not receive a proper notification of a TTD award in violation of W.Va. Code §23-5-1.

**C3-** For fifteen claims (15) claims, the Company did not calculate and pay indemnity payments in accordance with Informational Letter 162A. The examiner found each had underpayments to the claimant, in violation of W.Va. Code §23-4-14(b)(2)

**C4-** For nineteen (19) claims the Company did not issue temporary total disability closure letters in accordance with W.Va. Code §§23-5-1.

**J4-** The protest language was not included on the denial letter for one (1) denied claim in violation of W. Va. Code §§23-5-1(b)(1) and 23-4-3(f) and W. Va. Code R. §§85-1-7.2 and 85-21-10.2b]

**M3-** In thirty (30) claims the Company did not report closure of the claim in violation of W.Va. Code §23-2C-5(C)(8) and W.Va. Code R. §85-2-1 Et Seq. and West Virginia Offices of the Insurance Commissioner’s Electronic Data Interchange (“EDI”) Implementation Guide.

## **COMPLIANCE WITH PREVIOUS EXAMINATION**

Although the Company represented that they specifically remediated claims deficiencies identified in the previous 2015 examination, the examiners could not substantiate it this in the following areas:

M2 - Three (3) claims did not have proper SROI reporting. There were three (3) Indemnity Claims in which SROI reporting was not done either monthly or quarterly as required by W. Va. Code §23-2C-5(C)(8) and W. Va. Code R. §85-2-1 et seq. and West Virginia Offices of the Insurance Commissioner's Electronic Data Interchange ("EDI") Implementation Guide.

B2 - One (1) Medical Only claim did not have a decision letter issued as required by W. Va. Code §23-5-1(b)(1) & W. Va. Code R. §85-17.2

## **HISTORY AND PROFILE**

Lowe's Companies, Inc. (NYSE: LOW) is a FORTUNE® 50 home improvement company serving more than 17 million customers a week in the United States, Canada and Mexico. With fiscal year 2016 sales of \$65.0 billion, Lowe's and its related businesses operate or service 2,370 home improvement and hardware stores and employ over 290,000 people. Founded in 1946 and based in Mooresville, N.C.

Lowe's has been a self-insured employee in the State of West Virginia since July 1, 1988. Sedgwick has handled their claims administration since April 1, 2010.

## **METHODOLOGY**

The examiners conducted file reviews and interviews of company management. This examination report is a report by test, rather than a report by exception, and all elements tested are described and the results indicated.

Tests designed to measure the level of compliance with West Virginia's statutes, rules and regulations were applied to all files. All tests are described, and the results displayed in this report.

## **ELEMENTS OF THE REVIEW**

### **A. COMPLAINTS: THE TIME FRAME WITHIN WHICH THE EMPLOYER RESPONDS TO COMPLAINTS IS IN ACCORDANCE WITH APPLICABLE STATUTES, RULES AND REGULATIONS.**

1. Did the Self-Insured Employer respond to complaints received from the WVOIC within fifteen (15) working days? [W. Va. Code R. §85-1-16] (Additionally list each individual complaint, the nature of the complaint and the resolution.)

### **B. INITIAL COMPENSABILITY DECISIONS AND INVESTIGATIONS ARE CONDUCTED IN A TIMELY MANNER.**

1. Did the Self-Insured Employer properly investigate then rule on a claim within fifteen (15) working days, or if “tolled” while evidence for the claim is gathered, rule in the appropriate time? [W. Va. Code §§23-4-1c (a) and (b) & W. Va. Code R. §85-1-10.1]
2. Did the Self-Insured Employer send a written notice of the decision with the protest clause? [W. Va. Code §23-5-1(b)(1) & W. Va. Code R. §85-1-7.2]

### **C. TEMPORARY TOTAL DISABILITY (TTD)**

1. Did the Self-Insured Employer/TPA properly notify the claimant of the TTD award? [W.Va. Code § 23-5-1]
2. Did the Self-Insured Employer/TPA immediately pay amounts due the claimant for benefits upon determination of eligibility? [W. Va. §§23-4-1c(b) and (g)]
3. Did the Self-Insured Employer/TPA calculate and pay indemnity payments correctly? [W. Va. Code §23-4-14(b)(2), and Informational Letter 162A]
4. Did the Self-Insured Employer/TPA issue temporary total disability closure letters in accordance with W. Va. Code §§23-5-1, 23-4-7a and 23-4-22.

### **D. PERMANENT PARTIAL DISABILITY (PPD)**

1. Did the Company act on PPD evaluations timely? [W.Va. Code R. § 85-1-10.5 a. The responsible party shall act on a permanent disability evaluation report received from a physician to whom the responsible party referred a claimant in a claim for injuries and occupational diseases other than occupational pneumoconiosis within thirty (30) working days of receipt by the responsible party of the report.]

2. Did the Company make timely IME referrals? [W.Va. Code R. § 85-1-10.5 b. The responsible party shall make a referral of a claimant to a physician for examination and evaluation in response to a request by or on behalf of the claimant for consideration of a permanent disability award in a claim for injuries and occupational diseases other than occupational pneumoconiosis within thirty (30) working days from the date the request was received by the responsible party.]
3. Did the Company commence PPD award payments timely? [W.Va. Code R. § 85-1-10.5 c. Permanent partial disability awards may be paid, at the discretion of the responsible party, either by lump sum or in installments consistent with applicable law. Payment of permanent partial awards shall commence within fifteen (15) working days of the decision granting the award.]
4. Did the Company calculate and pay the payment correctly? [W.Va. Code § 23-4-14(b)(2) and Informational Letter 162A]

#### **E. MEDICAL AUTHORIZATIONS**

1. Did the Company comply with W. Va. Code R. §85-1-10.3? “Medical treatment, medications, appliances, devices and supplies. – The responsible party shall act upon an injured worker’s request for authorization of medical treatment, medications, appliances, devices and supplies within fifteen (15) working days from the date the request was received by the responsible party.”

#### **F. NON-AWARDED PARTIAL BENEFITS (NAP)**

Are non-awarded partial disability benefits paid at the same rate as the permanent partial disability rate per W. Va. Code R. §85-1-9.7?

#### **G. DEATH CLAIMS (FATAL)**

1. Were the death benefits in the proper amounts and to the proper person(s) per W. Va. Code §§23-4-1 and 23-4-10?

#### **H. CLOSURE**

1. Claims properly closed and notice issued?

## **I. OCCUPATIONAL PNEUMOCONIOSIS**

Did the Self-Insured Employer enter non-medical decisions in occupational pneumoconiosis claims within ninety (90) days from the date the responsible party receives properly executed, prescribed forms? (can be "tolled" for no more than thirty (30) additional days during the evidence gathering process) [W. Va. Code §23-4-15b and W.Va. Code R. §85-1-10.2?]

## **J. DENIED AND CLOSED WITHOUT PAYMENT**

1. Did the Self-Insured Employer properly investigate then rule on a claim within fifteen (15) working days, or if "tolled" while evidence for the claim is gathered, rule in the appropriate time? [W. Va. Code R. §85-1-10.1, W. Va. Code §23-4-1c (a)]
2. Are claims handling practices meeting West Virginia statutes, rules and regulations of "denied" and "closed without payment" claims including proper notifications, reasonable basis for denial, and whether or not claimants are provided adequate instructions for rebuttals? [W. Va. Code §§23-5-1(a) 23-5-1(b)(1)]
3. Are claims denied inappropriately due to a technicality? [W. Va. Code §23-5-13]
4. Is appropriate protest/grievance language on the decision order? [W. Va. Code §§23-5-1(b)(1) and 23-4-3(f) and W. Va. Code R. §§85-1-7.2 and 85-21-10.2b]
5. Are denied claim investigations by the Self-Insured Employer/TPA complete and thorough?
6. Are denied claim investigations by the Self-Insured Employer/TPA tolled only for the purpose of gathering additional evidence needed to rule on a claim? [W. Va. Code R. §85-1-10.1]

## **K. OFFICE OF JUDGES (OOJ) AND BOARD OF REVIEW (BOR) ORDERS**

1. Did the Self-Insured Employer comply with all orders of the Office of Judges ("OOJ") and the Board of Review ("BOR") and all mandates of the West Virginia Supreme Court of Appeals within thirty (30) days from the date of receipt, unless the responsible party is required to act sooner under the terms of the order or mandate or the order or mandate is subject to a lawfully ordered stay? [W. Va. Code §23-2C-22 and W. Va. Code R. §85-1-10.7]



**L. DOCUMENTATION**

1. Did the Self-Insured Employer follow state statutes, rules and regulations which require that claim files contain adequate documentation and to be maintained in a manner so that pertinent events and dates of such events can be reconstructed if necessary? [W. Va. Code R. §§85-18-13.3 and 13.4]

**M. EDI - Did the self-insured employer promptly and accurately provide the WVOIC with all necessary claim information to maintain the workers' compensation claim index? W. Va. code §23-2c-5(c)(8) and W. Va. Code R. §85-2-1 et seq. and West Virginia Offices of the Insurance Commissioner's electronic data interchange ("EDI") implementation guide]**

1. FROI – Did the Company submit the First Report of Injury report timely within ten (10) business days?
2. SROI - Did the Company submit the Subsequent Reports of Injury report(s) updates on each claim either monthly or quarterly?
3. Closing - Did the Company properly report closure of the claim when no additional transactions are expected on the claim? (For example: A notification that an accident has occurred is not a request for a compensability decision and therefore should not be denied (FROI 04) or administratively closed (SROI FN) and should be canceled as a FROI 01.)

**N. THE COMPANY COOPERATES ON A TIMELY BASIS WITH EXAMINERS PERFORMING THE EXAMINATION.**

1. Did the Company respond to RFI's in a timely manner?
2. Did the Self-Insured Employer provide records in a timely basis and cooperate with the examination? [W.Va. Code R. §85-18-13.6]

**O. Other Issues**

**COMPLIANCE TABLE**

<u>Review Section</u>	<u># Pass</u>	<u># Fail</u>	<u>N/A</u>	<u>Compliance %</u>	<u>Observation</u>	<u>Individual Corrective Action</u>	<u>Systemic Corrective Action</u>
A1	4	0		100			
B1	2	23		8			*
B2			25	n/a			
C1	6	19		24			*
C2	25	0	0	100			
C3	10	15		40			*
C4	6	19		24			*
D1			25				
D2			25				
D3			25				
D4			25				
E1	25	0		100			
F1			25	n/a			
G1			25	n/a			
H1			52	n/a			
I1				n/a			
J1	4	23	15	65			*
J2	27	0	0	100			
J3	27	0	0	100			
J4	4	1	22	80			*
J5	27	0	0	100			
J6	27	0	0	100			
K1	4	0	0	100			
L1	53	0		100			
M1	49	1	0	98			
M2	24	1	27	96			
M3	22	30	0	42			*
N1				100			
N2				100			
O				n/a			



## OBSERVATIONS

**B1-** Twenty- three (23) compensable claims had no initial ruling letter issued in violation of W.Va. Code §§23-4-1c (a) and (b) and & W.Va. Code R. §85-1-10.1.

**C1-** Nineteen (19) claims did not receive a proper notification of a TTD award in violation of W.Va. Code §23-5-1.

**C3-** For fifteen claims (15) claims, the Company did not calculate and pay indemnity payments in accordance with Informational Letter 162A. The examiner found each had underpayments to the claimant, for a total of \$1958.59 in violation of W.Va. Code §23-4-14(b)(2). The company should review the entire population of TTD claims and remediate when appropriate as well as determine any impact on PPD and rehab benefits.

**C4-** For nineteen (19) claims the Company did not issue temporary total disability closure letters in accordance with W.Va. Code §§23-5-1.

**J1-** Twenty-three (23) denied claims had no ruling letter issued and one (1) denied claim had a late ruling letter issued in violation of W.Va. Code §§23-4-1c (a) and (b).

**J4-** The protest language was not included on the denial letter for one (1) denied claim in violation of W. Va. Code §§23-5-1(b)(1) and 23-4-3(f) and W. Va. Code R. §§85-1-7.2 and 85-21-10.2b]

**M1** – The Company did not submit the First Report of Injury report timely for one (1) denied claim, in violation of W. Va. code §23-2c-5(c)(8) and W. Va. Code R. §85-2-1 et seq. and West Virginia Offices of the Insurance Commissioner’s electronic data interchange (“EDI”) implementation guide]

**M2-** In one (1) claim the Company did not submit the Subsequent Reports of Injury report(s) in violation of. W.Va. Code §23-2C-5(C)(8) and W.Va. Code R. §85-2-1 Et Seq. and West Virginia Offices of the Insurance Commissioner’s Electronic Data Interchange (“EDI”) Implementation Guide.

**M3-** In thirty (30) claims the Company did not report closure of the claim in violation of W.Va. Code §23-2C-5(C)(8) and W.Va. Code R. §85-2-1 Et Seq. and West Virginia Offices of the Insurance Commissioner’s Electronic Data Interchange (“EDI”) Implementation Guide.

## RECOMMENDATIONS

**B1/J1** – It is recommended that the Company issue ruling letters on all claims, as required by W.Va. Code §23-4-1c(a) and W.Va. Code R. §85-1-10.1.

**C1** - It is recommended that the Company properly notify claimants of temporary total disability awards in accordance with W.Va. Code §23-5-1.

**C3** - It is recommended that the Company should calculate and pay indemnity payments in accordance with W.Va. Code §23-4-14(b)(2) and Informational Letter 162A.

**C4** - It is recommended that the Company issue temporary total disability closure letters in accordance with W.Va. Code §§23-5-1.

**M1** - It is recommended that the Company submit the First Report of Injury report in accordance with W. Va. code §23-2c-5(c)(8) and W. Va. Code R. §85-2-1 et seq. and West Virginia Offices of the Insurance Commissioner's electronic data interchange ("EDI") implementation guide].

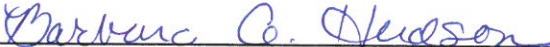
**M2** - It is recommended that the Company submit Subsequent Reports of Injury report(s) in accordance with W.Va. Code §23-2C-5(C)(8) and W.Va. Code R. §85-2-1 Et Seq. and West Virginia Offices of the Insurance Commissioner's Electronic Data Interchange ("EDI") Implementation Guide.

**M3** - It is recommended that the Company report closure of claims in accordance with W.Va. Code §23-2C-5(C)(8) and W.Va. Code R. §85-2-1 Et Seq. and West Virginia Offices of the Insurance Commissioner's Electronic Data Interchange ("EDI") Implementation Guide.

### EXAMINER'S SIGNATURE AND ACKNOWLEDGEMENT

The examiner would like to acknowledge the cooperation and assistance extended by the Self-Insured Employer/TPA during the course of the examination.

In addition to the undersigned, John Stike CIE, CPCU, AMCM, CWCP, CIPA, APA, AU, AFI, PAHM also participated in the examination.



Barbara A. Hudson AIE, CWCP, MCM, PAHM  
Examiner-in-Charge

**EXAMINER'S AFFIDAVIT**

State of West Virginia  
County of Kanawha

**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES USED IN AN EXAMINATION**

I, Barbara A. Hudson being duly sworn, states as follows:

1. I have the authority to represent West Virginia in the examination of Lowes Home Centers, LLC.
2. I have reviewed the examination work papers and examination report, and the examination of Lowes Home Centers, LLC was performed in a manner consistent with the standards and procedures required by West Virginia.

The affiant says nothing further.

Barbara A. Hudson

Barbara A. Hudson AIE, CWCP, MCM, PAHM

Subscribed and sworn before me by Barbara A. Hudson on this 7th day of August 2018.

Georgia Lee Cisco

Notary Public

My commission expires: 10-11-2019

