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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

GUADALUPE SANTOS,)	1:08-cv-00565 AWI GSA
)	
Plaintiff,)	ORDER RE: MOTION TO PERMIT
)	DISCOVERY
v.)	(Document 19)
QUEBECOR WORLD LONG TERM)	
DISABILITY PLAN,)	
)	
Defendant.)	

Plaintiff Guadalupe Santos (“Plaintiff”) filed the instant motion to permit discovery on October 10, 2008. Defendant Quebecor World Long Term Disability Plan (“Defendant”) opposed Plaintiff’s motion. This court considered the motion on the record and without oral argument on the now vacated November 21, 2008 hearing. As discussed more fully below, the motion is GRANTED IN PART and DENIED IN PART.

PROCEDURAL BACKGROUND

On April 23, 2008, Plaintiff filed this action, contending that she is entitled to long-term disability benefits under an employee welfare benefit plan governed by the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C. § 1001 *et seq.* Plaintiff seeks a declaratory judgment for the payment of long-term disability benefits, along with attorney fees and costs. Defendant filed an answer to the complaint on June 9, 2008.

On July 24, 2008, the Court entered a scheduling order in this matter. The order set a briefing schedule on the issue of whether, and to what extent, Plaintiff was permitted to conduct

1 discovery in this matter. (Doc. 13). Pursuant to the stipulation of the parties, the Court's
2 scheduling order was modified on August 27, 2008. The modified scheduling order provided
3 that Plaintiff must file a motion for leave to conduct discovery on or before October 10, 2008.
4 (Doc. 15).

5 In accordance with the Court's order, Plaintiff filed the instant motion for discovery on
6 October 10, 2008. Plaintiff is seeking discovery outside the administrative record regarding
7 defendant's alleged conflict of interest in administering Plaintiff's claim for long term disability
8 benefits. Plaintiff contends that she is entitled to certain requested discovery, including
9 depositions of insurance company employees and reviewing doctors. Defendant counters that
10 Plaintiff's requests are excessive and are not narrowly tailored to the issue of conflict of interest.

11 **FACTUAL BACKGROUND**

12 According to her complaint, Plaintiff was employed by Quebecor World as a Supervisor
13 and was a participant in the Quebecor World Long Term Disability Plan ("Plan"). The Plan is
14 insured by Hartford Life Group Insurance Company and provides long term disability benefits to
15 Quebecor World employees meeting the Plan's definition of total disability.

16 Plaintiff alleges that she is totally disabled and completely ceased work on December 19,
17 2005. She was granted long-term disability benefits under the Plan by letter dated August 31,
18 2006. Thereafter, Plaintiff's benefits under the Plan were terminated by letter dated July 30,
19 2007. On January 23, 2008, Plaintiff appealed the termination. Plaintiff's appeal was denied and
20 she exhausted her administrative remedies.

21 Plaintiff asserts that the denial of long-term disability benefits was arbitrary and
22 capricious and that she continues to be disabled under the terms of the Plan. She desires a
23 judicial determination of her rights, along with a declaration that the Plan is obligated to pay her
24 long-term disability benefits. *See generally* Complaint.

25 **PLAINTIFF'S REQUESTED DISCOVERY**

26 Plaintiff seeks the following discovery: (1) a Rule 30(b)(6) deposition of Hartford, the
27 insurance company which paid claims and determined whether claimants were eligible for
28 benefits; (2) if necessary, 30(b)(6) depositions of the services--Reed Review Service, MES

1 Solutions--which provided reviewing doctors to Hartford; and (3) if necessary, depositions of the
2 three reviewing doctors--Dr. Gary Nudell, Dr. Kelly Clark and Dr. Mark Burns. Plaintiff argues
3 that the discovery sought is directed to Hartford's "conflict of interest in evaluating that conflict
4 of interest for the purpose of evaluating the propriety of its action terminating [Plaintiff's]
5 benefits." Plaintiff's Points and Authorities in Support of Motion to Permit Discovery, p. 1.

6 Defendant counters that the proposed discovery is "outrageously excessive." Defendant's
7 Opposition to Plaintiff's Motion to Permit Discovery, p. 7.

8 DISCUSSION

9 **A. Motion for Discovery**

10 1. *Discovery in ERISA Actions*

11 The discovery allowed in ERISA actions challenging the denial of benefits, if any, is
12 directly related to the standard of review employed by the Court. While the default standard of
13 review is *de novo*, the Court will review the decision for abuse of discretion where an ERISA
14 plan grants discretion to the plan administrator. *Abatie v. Alta Health & Life Insurance Co.*, 458
15 F.3d 955, 967 (9th Cir. 2006) (en banc). In this instance, neither party appears to contend that the
16 standard of review is *de novo*. Accordingly, *Abatie* provides that an abuse of discretion review is
17 limited to the administrative record. *Id.* at 970. However, a district court may, in its discretion,
18 consider evidence outside the administrative record to decide the nature, extent and effect on the
19 decision-making process of any conflict of interest; the decision on the merits, though must rest
20 on the administrative record once the conflict (if any) has been established, by extrinsic evidence
21 or otherwise. *Id.* at 970.

22 The United States Supreme Court confirmed in *Metropolitan Life Insurance Co. v. Glenn*,
23 128 S.Ct. 2343 (2008) that a conflict of interest "should prove more important (perhaps of great
24 importance) where circumstances suggest a higher likelihood that it affected the benefits
25 decision, including, but not limited to, cases where an insurance company administrator has a
26 history of biased claims administration." *Id.* at 2351. The Court held that a district court could
27 consider evidence of an administrator's actions taken in an effort "to reduce potential bias and to
28 promote accuracy," such as "walling off claims administrators from those interested in firm

1 finances,” or “imposing management checks that penalize inaccurate decisionmaking irrespective
2 of whom the inaccuracy benefits.” *Id.*

3 Taken together, *Glenn* and *Abatie* require a district court to consider the conflict of
4 interest as a factor whose weight depends on the “nature, extent, and effect” of the conflict on the
5 decision-making process, which may be unmasked through discovery. *Abatie*, 458 F.3d at 967,
6 970; *see also Welch v. Metropolitan Life Ins. Co.*, 480 F.3d 942, 949-50 (9th Cir. 2007) (court
7 awarded partial attorney’s fees by concluding that some discovery aimed at demonstrating a
8 conflict of interest may be appropriate). However, “such discovery must be narrowly tailored
9 and cannot be a fishing expedition.” *Groom v. Standard Ins. Co.*, 492 F.Supp.2d 1202, 1205
10 (C.D.Cal. 2007). It must be limited to requests that are relevant to the “nature, extent, and effect
11 on the decision-making process of any conflict of interest.” For example, relevant inquiries
12 might include those designed to obtain “evidence of malice, of self-dealing, or of a parsimonious
13 claims-granting history.” *Id.* at 1206 (quoting *Abatie*, 458 F.3d at 968).

14 2. *Analysis*

15 a. A Rule 30(b)(6) Deposition of Hartford.

16 Plaintiff requests a Rule 30(b)(6) deposition of Hartford. The deposition notice is a 26-
17 page document that includes definitions, instructions and thirteen separate areas of inquiry with
18 listed questions. Attachment to Motion to Permit Discovery.

19 The first area of inquiry (“Preliminary Questions”) includes questions about documents
20 reviewed, deposition preparation, prior depositions, prior statements under oath, and personal
21 background (education and employment). Defendant asserts that these questions have nothing to
22 do with a conflict of interest. The Court finds these areas of inquiry to be common and
23 appropriate, relating to issues of credibility and veracity.

24 The second area of inquiry (“The Policy”) includes questions about Hartford policy
25 amendments, documents which control, describe or determine the relationship between Hartford
26 and the Plan, and whether the policy has been terminated. Defendant contends that these matters
27 have nothing to do with a conflict of interest arising out of Hartford’s role as claim administrator
28

1 and funder of the plan. The Court finds this area of inquiry appropriate to ascertain whether
2 Plaintiff has all relevant plan documents.

3 The third area of inquiry (“Deponent’s Records, Documents and Procedures”) asks the
4 deponent to identify, produce and discuss each document applicable to the adverse determination
5 and the standards utilized by the benefits personnel. This area of inquiry also asks the deponent
6 to discuss and explain the practices and procedures referenced in the claims manual applicable to
7 their actions with reference to Plaintiff’s claim. Defendant asserts that 29 individuals would be
8 required to testify regarding their involvement in Plaintiff’s claim and would be required to
9 discuss and explain their actions in the file. Defendant also asserts that this area of inquiry does
10 not relate to conflict of interest. The Court agrees in part. Plaintiff is entitled to the production
11 of documents relating to the procedures used in determining her claim, including the criteria used
12 in making decisions. However, to the extent this area of inquiry is directed at the underlying
13 rationale for deviation, if any, from the claims manual and not the structural conflict of interest, it
14 is not appropriate for discovery.

15 The fourth area of inquiry (“Records of Claims Administration”) seeks statistics
16 regarding long-term disability claims. Plaintiff is entitled to information regarding the claims
17 granting history. As Plaintiff has indicated that areas of inquiry can be responded to with a list or
18 summary of information, statistical records should be produced.

19 The fourth area of inquiry also seeks information regarding steps to reduce potential bias
20 of claims personnel, promote accuracy, walling off claims administrators from those interested in
21 firm finances, management checks that penalized inaccurate decisions, level of experience of
22 claims personnel, standards for claim staff accountability and whether there were separate
23 compliance/accountability functions. Defendant argues that Plaintiff has not made any effort to
24 justify these categories of inquiry. However, these categories relate to efforts to reduce bias,
25 promote accuracy and wall off administrators and are appropriate for discovery.
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1 Additionally, the fourth area of inquiry asks for information regarding the criteria for
2 selection of individuals to conduct peer reviews, IME's and FCE's. To the extent such criteria
3 exist, they relate to potential bias and should be produced.

4 In the fourth area of inquiry, Plaintiff also seeks information regarding whether claims
5 personnel and external reviewers evaluated all evidence in the claim file and whether claims
6 personnel "afford appropriate weight in developing a coherent view of the claimant's medical
7 condition, capacity and restrictions and limitations." These questions appear related to the
8 underlying rationale of the decision and not to conflict of interest. Accordingly, Plaintiff is not
9 entitled to such discovery.

10 Insofar as Plaintiff seeks statistical information regarding the number of claimants
11 seeking long term disability benefits with certain diagnoses, the approval rate of such claims, and
12 claims granting history related to those with a familial, fiduciary or close relationship with
13 Hartford, Plaintiff is entitled to information regarding the claims and claims granting history. As
14 Plaintiff has indicated that areas of inquiry can be responded to with a list or summary of
15 information, statistical records should be produced. To the extent Plaintiff seeks definitions or
16 names of individuals, document(s) or summary information should be produced. Plaintiff's
17 request for an explanation as to how a Policy provision is applied appears related to the
18 underlying rationale of the decision and not to conflict of interest. Plaintiff is not entitled to such
19 discovery.

20 In the fifth area of inquiry ("Social Security Administration Determination"), Plaintiff
21 seeks information regarding policies and procedures regarding weight to be accorded to Social
22 Security Administration determinations and findings, the definition of total disability under the
23 Social Security Act, the weight accorded to the Social Security Administration's determination in
24 Plaintiff's claim, whether the Social Security Administration's conclusions and findings were
25 submitted to reviewing doctors or other benefit personnel and information regarding an appeal
26 denial letter. Defendant does not address these inquiries specifically, but generally objects that
27 Plaintiff has not justified this area of inquiry. Plaintiff is entitled to the policies and procedures
28 of Hartford related to Social Security Administration determinations. However, to the extent she

1 seeks information regarding the weight accorded to the Social Security Administration's
2 determination in her claim, Hartford's explanation as to whether the definition of total disability
3 in the Policy is different than the definition under the Social Security Act, or the position taken in
4 an appeal letter, this line of inquiry relates to the underlying rationale and not a conflict of
5 interest. Accordingly, Plaintiff is not entitled to such information.

6 In the sixth area of inquiry ("Communications with Outside Vendors"), Plaintiff seeks
7 identification of every communication between Hartford and RRS, every communication
8 between RRS and Dr. Nudell, communications with or through MES and communications
9 between MES and Drs. Burns and/or Clark regarding Plaintiff's claim. Insofar as Plaintiff seeks
10 the production of documents, her request is allowed.

11 In the seventh area of inquiry ("The Contractual Relationship Between Hartford and
12 RRS"), Plaintiff requests all agreements between Hartford and RRS, the money Hartford paid to
13 RRS, the number of times RRS-provided doctors gave opinions regarding long term disability
14 benefits claimants and whether Hartford holds any financial interest in RRS. In the eighth area
15 of inquiry ("The Contractual Relationship Between Hartford and MES"), Plaintiff seeks all
16 agreements between Hartford and MES, the amount of money Hartford paid MES and the
17 number of time MES-provided doctors provided opinions regarding long term disability benefits
18 The requested information in these areas of inquiry relates to a potential conflict of interest.
19 Plaintiff is entitled to such information.

20 In the ninth area of inquiry ("Medical Reviewers"), Plaintiff seeks information regarding
21 Gary Nudell, M.D., Kelly Clark, M.D., and Mark Burns, M.D. Plaintiff is entitled to statistical
22 information concerning the number of disability claims by each doctor evaluated on behalf of
23 Hartford, including the number of times the doctors concluded that a claimant was or was not
24 disabled. As to the remaining inquiries, the Administrative Record speaks for itself regarding
25 documents relied on by the doctors in their reports, time spent and money paid.

26
27 In the tenth area of inquiry ("The Termination of Plaintiff's Benefits"), Plaintiff seeks
28 information regarding the names of persons who participated in the decision to terminate

1 Plaintiff's benefits, the chronological order of each and every action taken by each and every
2 person in deciding to terminate Plaintiff's benefits, and documents reviewed by the person or
3 persons who decided to terminate Plaintiff's benefits (Items 1-4). This information does not
4 appear related to conflict of interest and the Administrative Record speaks for itself.

5 Accordingly, Plaintiff's request for this information is denied.

6 The tenth area of inquiry also seeks information regarding compensation, bonuses, raises,
7 evaluations, promotions, promotional opportunities and any other incentive. This information is
8 not narrowly-tailored to the issue of conflict of interest and Plaintiff's request for such
9 information is denied.

10 However, to the extent Plaintiff is requesting information regarding claims reserves for
11 Plaintiff's long term disability claim, she is entitled to such information. *See McCurdy v.*
12 *Metropolitan Life Ins. Co.*, 2007 WL 915177, *3-4 (E.D.Cal. March 23, 2007)(court permitted
13 discovery of documents pertaining to the reserve set for a plaintiff's claim).

14 In the eleventh area of inquiry ("The Decision to Deny Plaintiff's Appeal"), Plaintiff
15 seeks information regarding the persons who processed or participated in the decision to deny her
16 appeal and the chronological order of such actions and items reviewed by the person(s) who
17 denied her appeal. This information does not appear related to conflict of interest and the
18 Administrative Record speaks for itself. Accordingly, Plaintiff's request for this information is
19 denied.

20 Insofar as Plaintiff requests information regarding all rules, practices, procedures,
21 guidelines, standards, criteria, and memoranda regarding compensation, bonuses, raises,
22 evaluations, promotions and promotional opportunities and/or any other incentives applicable to
23 benefits personnel relevant to deciding Plaintiff's appeal, Plaintiff is entitled to such information.
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25 In the twelfth area of inquiry ("Defendant's Affirmative Defenses"), Plaintiff seeks
26 information regarding Hartford's affirmative defenses. It does not appear from the record that
27 Hartford has asserted any affirmative defense in this matter. Accordingly, Plaintiff's request is
28 denied.

1 In the thirteenth area of inquiry (“Counterclaim”), Plaintiff asks for information regarding
2 the number of long term disability claims and appeals approved/denied by Hartford and other
3 statistical information regarding long term disability claims. Plaintiff is entitled to such
4 information as it relates to the claims granting history of Hartford.

5 In addition to the outlined areas of inquiry, Plaintiff seeks the production of additional
6 documents identified in 33 separate requests. Defendant objects that the document request is not
7 narrowly-tailored to the issue of conflict of interest. Plaintiff has not indicated in her moving
8 papers the reason for such requests and the Court is not inclined to parse through Plaintiff’s
9 document request, as it has done with Plaintiff’s deposition notice, to determine the
10 appropriateness of Plaintiff’s requests. Accordingly, Plaintiff’s separate request for documents is
11 denied without prejudice.

12 b. Possible Rule 30(b)(6) Depositions of Reed Review Services and MES
13 Solutions

14 Plaintiff requests depositions, if necessary, of Reed Review Services and MES Solutions.
15 Defendant argues that Plaintiff has not stated with particularity the grounds for seeking these
16 depositions. In short, Defendant contends that Plaintiff does not tell the court what would make
17 these depositions necessary or how they are limited to the issue of conflict of interest. The Court
18 agrees and denies the request for depositions of Reed Review Services and MES Solutions
19 without prejudice and subject to renewal by Plaintiff.
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21 c. Possible Individual Depositions of Drs. Nudell, Clark and Burns.

22 Finally, Plaintiff requests individual doctor depositions, if necessary, relevant to conflict
23 of interest. Although Plaintiff details 13 areas of proposed inquiry, including standard
24 introductions and admonitions, descriptions of experience and qualifications and relationship
25 with Hartford, Plaintiff has not demonstrated the necessity of such depositions. Accordingly, the
26 Court denies the request for depositions of Drs. Nudell, Clark and Burns without prejudice and
27 subject to renewal by Plaintiff.
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CONCLUSION

Based on the foregoing, Plaintiff's Motion to Permit Discovery is GRANTED IN PART AND DENIED IN PART.

IT IS SO ORDERED.

Dated: January 16, 2009

/s/ Gary S. Austin
UNITED STATES MAGISTRATE JUDGE

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