

ANTIFRAUD PLAN GUIDELINE

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ed fraud a priority in antifraud plan compliance nationwide. Until such a
plemented, insurers are encouraged to utilize this guideline, and incorporate all
the document when developing or updating company antifraud plans.

Important Note: Unless this guideline is adopted by a state, this guideline does not preempt existing state laws.

Section 1. Application

The purpose of this guideline is to establish standards for insurance company special investigation units (SIUs) and any other interested parties regarding the preparation of an Antifraud Plan that meets the mandated requirements of [insert Department of Insurance (DOI) name].

Drafting Note: In lieu of an agency name, states may amend this statement to incorporate a reference to a state law/rule.

Section 2. Definitions

- A. "Insurance" means any of the lines of authority authorized by state law.
- B. "Insurance commissioner" or "commissioner" means the insurance commissioner of this state.
- C. "Insurer" means a company required to be licensed under the laws of this state to provide insurance products.
- D. "Material or substantive change" means any change, modification or alteration of the operations, standards, methods, staffing, or outsourcing utilized by the insurer to detect, investigate and report suspected insurance fraud.
- E. "National Association of Insurance Commissioners" (NAIC) means the organization of state insurance regulators from the fifty (50) states, the District of Columbia and all participating U.S. territories.
- F. "Report in a timely manner" means in accordance with all applicable laws and rules of the state.

Drafting Note: States should insert a reference to a state law/rule if they feel it is necessary.

- G. "Respond in a reasonable time" means to respond in accordance with all applicable laws and rules of the state.

Drafting Note: States should insert a reference to a state law/rule if they feel it is necessary.

- H. "Special Investigation Unit" (SIU) means an insurer's unit or division that is established to investigate suspected insurance fraud. The SIU may be made up of insurer employees or by contracting with other entities.
- I. "Suspected Insurance Fraud" means any misrepresentation of fact or omission of fact pertaining to a transaction of insurance including claims, premium and application fraud. These facts may include but are not limited to evidence of doctoring, altering or destroying forms, prior history of the claimant, policy holder, applicant or provider, receipts, estimates, explanations of

- (9) A statement as to whether the insurer has established an internal SIU to investigate suspected insurance fraud.
- (a) A description as to whether the unit is part of any other department within the organization.
 - (b) A description or chart outlining the organizational arrangement of all internal SIU positions/ job titles.
 - (c) A general overview of each SIU position is required. In lieu of a general overview, insurers can provide a copy of all applicable position descriptions to the DOI.

Drafting Note: Upon exploring the creation of an electronic fraud plan submission system, the working group will explore the possibility of insurers having the ability to upload an organization chart/list of SIU employees/position descriptions, etc.

- (d) General contact information for the company's SIU as well as contact information for the person/position(s) responsible for overseei⁰

