

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

ANTIFRAUD TECHNOLOGY (D) WORKING GROUP

Antifraud Plan Guideline - April 2011 Version

January 10, 2020

On behalf of National Association of Mutual Insurance Companies (NAMIC)¹ members, thank you for the opportunity to share preliminary comments the April 2011 version of the Antifraud Plan Guideline that the Antifraud Technology (D) Working Group is considering reviewing.

As a preliminary matter, NAMIC encourages the Working Group to maintain some flexibility for the insurer's needs based upon their internal structure, resources, operating states, level of premium writings, etc., as currently outlined in the Application Section (**Section 1**) of the Guideline.

More specifically, NAMIC suggests that the Working Group consider several minor revisions or clarifications, as outlined below.

Section 2. Definitions reserved for state specific information

- **Consistency** - Consider whether including uniform definitions in the guideline could promote consistency.

Section 4. Antifraud Plan Requirements

- **Consistency** - Kindly consider whether there are ways to encourage some deviating states to follow the uniform approach set forth in the guidelines. By inserting additional details and requirements, the processes in these states is more time consuming and cumbersome.²
- **Awareness Efforts** - Within **(A)(7)**, it may be helpful to clarify that the intention is to internal "fraud awareness or outreach" (rather than any external efforts). Concerns were raised that this could be interpreted as imposing external obligations and suggests specifically referencing internal outreach efforts.

¹ NAMIC is the largest property/casualty trade association in the US, serving regional and local mutual insurance companies on main streets across America as well as many large national insurers. NAMIC membership includes more than 1,400 insurance companies. NAMIC member companies write \$268 billion in annual premiums. Our members account for 59% of homeowners, 46% of automobile, and 29% of business insurance markets.

² Examples of states with deviating requirements include California, Florida, Maryland, New Jersey, New York, Pennsylvania, and others.



- **Duplication** - In **(B)(4)**, requiring insurers to describe their investigation program by each line of business may prove to provide DOI's with duplicative information when insurers have many product offerings. NAIC might want to consider omitting this from the text provided in the parenthesis. Perhaps there is a more efficient alternative for insurers to indicate that the information is consistent by line of business (perhaps with the duplicate descriptive materials to be produced upon request).

Section 5. 18 USC 1033 & 1034 Compliance

- **Duplication & Consolidation** - This is a broad-based insurance carrier requirement and is likely duplicative for larger carriers, if included within the Antifraud Plan Requirements [Section 4] guidelines regulatory framework as well.

Section 8: Required Anti-Fraud Plan Submission

- **Materiality** - Consider adding parameters/definition around what qualifies as “material” or substantive change. Currently, there is no consistency from state-to-state.
- **Timing** - Sending a plan every 5 years may be unnecessarily burdensome, if material changes to the plan have to be submitted within 30 days of material changes being made. (Again, please note the importance of a uniform definition for materiality.)
- **Method** - Consider the benefits of achieving consistent electronic submission across states.

* * * * *

On behalf of its members, NAMIC looks forward to the work of this Group in the coming year.