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Annual Antifraud Statistical Report Form





Annual Antifraud Statistical Report Form

April 2006



The NAIC is the authoritative source for insurance industry information. Our expert solutions support the efforts of regulators, insurers and researchers by providing detailed and comprehensive insurance information. The NAIC offers a wide range of publications in the following categories:

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Accountants, members of the insurance industry and educators will find relevant information about statutory accounting practices and procedures.

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ISBN: 1-59917-018-3

Printed in the United States of America

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Companion Products

The following companion products provide additional information on the same or similar subject matter. Many customers who purchase the **Annual Antifraud Statistical Report Form** also purchase one or more of the following products:



Antifraud Resources Report

Includes the results of a survey conducted by the NAIC Antifraud Task Force on a broad range of antifraud-related areas. Results are as reported by the insurance departments and, where necessary, other state agencies.



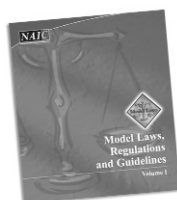
Application and Use of Insurance Fraud-Related Databases and Sources of Information: A Guide for State Insurance Departments

Identifies sources of antifraud information, including financial regulators, law enforcement and other fraud-related entities. Membership applications for several antifraud organizations are also included.



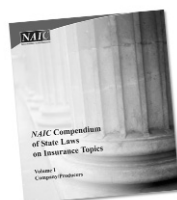
Guidelines for Industry for Reporting Suspicious Claims or Activity to State Fraud Bureaus

Provides uniform direction to the insurance industry for the reporting of suspicious claims or activity. Specific attention is paid to the submission process, including the minimum amount of information that should appear on the reporting form and the basic types of evidence that may be used to support a report of suspicious behavior.



Insurance Fraud Prevention Model Act (MDL-680)

Helps regulators investigate and discover fraudulent insurance acts more effectively, halt fraudulent acts, and assist and receive assistance from state, local and federal law enforcement and regulatory agencies in enforcing laws prohibiting fraudulent insurance acts.



Insurance Fraud Prevention Law – Individual Compendium Chart (MC-10)

Individual chart from the *Compendium of State Laws on Insurance Topics*. Chart includes: Citation; Fraudulent Insurance Act; Immunity from Liability; Fraud Warning Required; Reporting of Suspected Fraud; Statutory Creation of Fraud Unit; Provision for Confidentiality; Insurer Antifraud Activities Required; Other Antifraud Statutes; Comments.



Market Regulation Handbook

Provides one comprehensive source of reference material for the continuum of regulatory responses to potential market concerns. Helps market regulators conduct uniform, standardized market analysis and market conduct examinations. Updated annually.

How to Order

 816.783.8300

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NAIC Annual Antifraud Statistical Report

Company Name and NAIC Number:

Number

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NAIC Underwriting Company Names and Numbers:

	Auto	P/C	Workers' Comp	Totals
1. Number of claims received				
2. Number of suspected cases referred to SIU (Totals)				
2a. Number of application fraud cases referred to SIU				
2b. Number of claim fraud cases referred to SIU				
2c. Number of premium avoidance cases referred to SIU				
3. Number denied, dropped or mitigated w/SIU Invest				
4. Number of cases referred to Fraud Bureau				
5. Number referred to nonprofit agency (NICB, NHCAA)				
6. Number referred to law enforcement (PD, FBI, etc.)				
7. Number of arrests				
8. Number of convictions				
9. Dollar amount of restitution/fines by SIU/Company				
10. Number of Civil/Criminal Prosecutions (Totals)				
10a. Claimant/Insured				
10b. Provider (Medical, Legal, Other)				
10c. Insurance Internal (Agent/Broker)				
11. Amount of money not paid because of SIU activities				

Notations/Explanations (Optional, as determined by insurer):

SURVEY COMPLETED BY:

Name:

Position:

E-mail:

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Instructions for NAIC Model Calendar Year Annual Anti-Fraud Statistical Report

The purpose of these instructions is to provide information for completion of the NAIC model Calendar Year Annual Insurance Anti-Fraud Statistical Report.

Company Information

Every insurer licensed to write business in this jurisdiction is requested to prepare a report on a calendar year annual basis. One collated report will suffice for a parent company (NAIC group) that has several subordinate business entities supported by the same Special Investigations Unit (SIU). Report only information that pertains to policies written or claims paid in this jurisdiction.

Reporting Criteria

Annual reports are not public record documents and are treated as confidential information for analysis. Therefore, they will not be released and receive protection from disclosure pursuant to Freedom of Information Act guidelines.

The body of the report requires specific quantitative data based on defined criteria. Each reporting criterion has been identified with a specific reporting line number on the report.

Line of Business Information

The body of the report has been designed to segment quantitative data by line of business. A separate column has been provided for each line of business.

Notations/Explanations

A section of the report has been provided for the insurer to provide notations or explanations regarding the data provided.

Insurers are required to provide the name of the person who prepared the report. If the SIU prepared the report, but the compliance officer submitted the report, then both company representatives must sign the report.

Company Information

The header of the report has two lines to be completed, which provide insurance company NAIC identification information.

- Company Name — Indicate the full legal name of the company licensed to write business in this jurisdiction.
- NAIC Group Number — Indicate the NAIC assigned group number associated with the holding company name, if applicable. If not applicable, enter “0” (for all correspondence).
- NAIC Company Codes — Indicate each NAIC assigned number and underwriting company’s name associated with the respective NAIC group number.

Reporting Criteria

The body of the report requires specific quantitative data based on defined criteria. Each reporting criteria has been identified with a specific reporting line number on the report. The line numbers are defined as follows:

- Line 1 — Report the number of claims received during the calendar year annual reporting period. Generally, these will be claims that have been assigned an individual unique claim number identifier.
- Line 2 — Report the total number of suspected cases referred to the SIU or comparable investigative unit. Use lines 2a through 2c to provide a further breakdown of cases accepted by types of fraud. Line 2 should equal the total of lines 2a through 2c.
 - Line 2a — Report the total number of cases accepted by the SIU for suspected application fraud. Generally, these will be cases where the insured has provided inaccurate, incomplete and/or made a material misrepresentation of information to the insurer when applying for an insurance policy.
 - Line 2b — Report the total number of cases accepted by the SIU for claim fraud. Generally, these will be cases where the insured, claimant or provider has provided fraudulent, inaccurate, incomplete or exaggerated information to an insurer regarding a claim issue under an insurance policy.
 - Line 2c — Report the total number of cases accepted by the SIU for premium avoidance. Generally, these will be cases of internal financial fraud committed by producers, employees or others associated with the insurer.
- Line 3 — Report the number of claims denied, dropped or mitigated, based on SIU investigations.
- Line 4 — Report the number of cases referred by statutory requirement to the fraud bureau.
- Line 5 — Report the number of cases referred to nonprofit agencies. For example, The National Insurance Crime Bureau (NICB) and the National Health Care Anti-Fraud Association (NHCAA).
- Line 6 — Report the number of suspect claims referred directly to law enforcement agencies (e.g., local, FBI, U.S. Postal Inspection Service or other entity).
- Line 7 — Report the number of arrests from cases referred to fraud bureaus or other law enforcement agencies.
- Line 8 — Report the number of convictions from those cases referred to fraud bureaus or other law enforcement agencies.
- Line 9 — Report the amount of money recovered on fraudulent cases. This amount represents money or property returned or recovered based on SIU investigations.
- Line 10 — Report by line of business the total number of cases referred for civil or criminal prosecution by the SIU or comparable investigative unit. Lines 10a through 10c provide a further breakdown of cases referred by type of perpetrator. Line 10 should equal the total of lines 10a through 10c. Report each case once. In those cases where there were multiple types of perpetrators involved in the same case (i.e. insured and medical provider), select the primary perpetrator and report it as one case on line 10 and as one case under the appropriate type on lines 10a through 10c.
 - Line 10a — Report the total number of cases referred to authorities where the suspected perpetrator is a claimant or insured.
 - Line 10b — Report the total number of cases referred to authorities where the suspected perpetrator is a medical, legal or other type provider.
 - Line 10c — Report the total number of cases referred to authorities where the suspected perpetrator is an insurance agent or broker.

- Line 11 — Report amount of money not paid on suspected fraudulent cases because of SIU activities. This amount represents money saved as a result of not paying specific claims, based on a determination of insurance fraud or mitigating circumstances through investigation by the SIU. If your SIU uses another method of measuring the effectiveness of the SIU, please describe the methodology your organization uses in the “Notations/Explanations” section.

Line of Business Information

The body of this report has been designed to capture line of business statistics. Enter a “0” in those situations where there is no information to report. Each line of business column is defined as follows:

- Column A — For each reporting criteria, report the number or amount that pertains to Automobile insurance. This includes all automobile lines, including automobile liability and automobile physical damage, both personal and commercial.
- Column B — For each reporting criteria, report the number or amount that pertains to Property/Casualty insurance.
- Column C — For each reporting criteria, report the number or amount that pertains to Workers’ Compensation insurance.

Notations/Explanations

This section of the report provides the insurer the opportunity to disclose any information that the insurer deems necessary to clarify the data reported. This section most often will be used to explain why a line item was not completed, but it can be also used to provide an explanation for what might appear to be an unusual entry. This is an open-ended section. However, to facilitate completion and review, please reference each notation/explanation to the corresponding line number and column letter. Completion of this section is optional. The following is an example of a possible entry to this section:

- Line 11 — “SIU tracks reserve savings as a method of measuring SIU contribution.”



National Association of Insurance Commissioners

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Capital Markets and Investment Analysis Office, New York City.

The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace.

For more information, visit www.naic.org.



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