

PROJECT HISTORY - 2007

AUTOMOBILE INSURANCE FRAUD GUIDELINES (#1694)

1. Description of the Project, Issues Addressed, etc.

These Guidelines relate to the use of runners, cappers, and steerers and police accident reports in solicitation schemes and attempts to fraudulently assert a claim against an insured or an insurance carrier.

2. Name of Group Responsible for Drafting the Model and States Participating

Antifraud Liaison Working Group of the Antifraud (D) Task Force

3. Project Authorized by What Charge and Date First Given to the Group

Appoint an **Antifraud Liaison Working Group** to (1) develop initiatives and guidelines to enhance relationships with industry Special Investigation Units (SIUs), external private sector antifraud entities and antifraud organizations to include but not limited to training opportunities, model protocols and bench marking projects. Projects will include guidelines for working with insurance fraud prosecutors, state fraud bureaus, and industry referring fraud cases to state fraud bureaus. (2) Develop an Automobile Insurance Fraud Model Law. (3) Provide an advisory role for the merger of the Coalition Against Insurance Fraud, International Association of Special Investigation Unit (IASIU) and National Insurance Crime Bureau (NICB). (Essential)

4. A General Description of the Drafting Process (e.g., drafted by a subgroup, interested parties, the full group, etc). Include any parties outside the members that participated

Members of the Antifraud Liaison Working Group and the Antifraud (D) Task force drafted the Guidelines. Interested parties and regulators participated, including Property Casualty Insurers Association of America (PCI), Coalition Against Insurance Fraud, National Insurance Crime Bureau (NICB), in the drafting process and comment periods. Drafts of the Guidelines were posted on the NAIC website and distributed at the national meetings for review.

5. A General Description of the Due Process (e.g., exposure periods, public hearings, or any other means by which widespread input from industry, consumers and legislators was solicited)

The working group and task force held several public discussions during national meetings and open comment periods and offered an opportunity for the public and interested parties and regulators to comment on this paper. Beginning with the September 2006 National Meeting the working group opened the topic of developing the Automobile Insurance Fraud Model Act. December 2006 National Meeting the first draft of the Model were distributed and opened for discussion by the working group. September 27, 2006, and February 28, 2007, drafts were open for comment and both drafts were posted on the NAIC website. By the June 2007 National Meeting the new NAIC Model law requirements were implemented, and the Model Act was redrafted into the Automobile Insurance Fraud Guidelines. The July 17, 2007, draft was distributed at the June 2007 National Meeting and posted on the NAIC website for comment.

6. A Discussion of the Significant Issues (items of some controversy raised during the due process and the group's response)

Interested parties were initially concerned that the intent of the act was to require insurers to provide photo identification and provide a written, signed sworn statement to obtain an accident or crash reports from law enforcement, state, or local agency. The Working Group's intent was to require proof of identification of who was obtaining the reports and to restrict access to accident or crash report for sixty (60) days after the date of the report being filed. Language was added to allow all parties involved in the accident, their legal representatives, their insurance agents, insurer or employee or agent of the insurer and prosecutors access to the report and are exempt from having to provide a written, signed sworn statement.

However, any person requesting access or copy of a motor vehicle accident or crash report or related investigative report or supplement report must provide a government issued photo identification. In lieu of requiring the government issued identification, any law enforcement, state, or local agency may provide reports by electronic means to an insurance agent, insurer, or employee or agent of the insurer of an individual involved in the accident.

7. Any Other Important Information (e.g., amending an accreditation standard).

No other information is available.