

Notice of Development of Rulemaking
DEPARTMENT OF FINANCIAL SERVICES
Division of Insurance Fraud

RULE NO: RULE TITLE

[69D-2.001](#): Purpose and Scope

[69D-2.002](#): Definitions

[69D-2.003](#): Insurer SIUs

[69D-2.004](#): Insurer Anti-Fraud Plans

[69D-2.005](#): Compliance and Enforcement

PURPOSE AND EFFECT: The purpose of this rule chapter is to implement the provisions of Section 626.9891, Florida Statutes, requiring a higher level of detail and accountability for insurer fraud plans and insurer SIU descriptions.

SUBJECT AREA TO BE ADDRESSED: Insurer anti-fraud plans and SIU descriptions.

SPECIFIC AUTHORITY: [624.308 FS.](#), [626.9891 FS.](#)

LAW IMPLEMENTED: [624.307 FS.](#), [626.989 FS.](#), [626.9891\(1\) FS.](#), [626.9891\(2\) FS.](#), [626.9891\(3\) FS.](#), [626.9891\(7\) FS.](#), [626.9891\(8\) FS.](#)

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 3:00 p.m., Monday, February 27, 2006

PLACE: Room 116, Larson Building, 200 East Gaines Street, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Department at least 5 calendar days before the program by contacting: Serica Johnson, (850)413-4216.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Charles L. Gowland, Jr., Division of Insurance Fraud, Department of Financial Services

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

INSURER ANTI-FRAUD INVESTIGATIVE UNITS AND ANTI-FRAUD PLANS

69D-2.001 Purpose and Scope.

The purpose of this rule chapter is to implement the provisions of Section 626.9891, F.S., establishing guidelines and reporting requirements for insurer anti-fraud investigative units and anti-fraud plans.

Specific Authority 624.308, 626.9891 FS. Law Implemented 624.307, 626.9891(8) FS. History-New _____.

69D-2.002 Definitions.

For the purposes of this rule:

- (1) "Division" refers to the Department of Financial Services, Division of Insurance Fraud.
- (2) "NAIC" refers to the National Association of Insurance Commissioners.
- (3) "Office" refers to the Office of Insurance Regulation, Market Investigations.
- (4) "SIU" refers to an insurer's internal or contracted anti-fraud investigative unit.

Specific Authority 624.308, 626.9891 FS. Law Implemented 624.307, 626.9891(8) FS. History-New _____.

69D-2.003 Insurer SIUs.

(1) An insurer subject to Section 626.9891(1), F.S., shall file with the Division a description of such SIU on or before July 1, 2006, and every 3 years thereafter, and such description shall include:

(a) The names of all personnel assigned to the SIU, and a description of each person's work responsibilities relating to the SIU's anti-fraud efforts;

(b) A description of the SIU's procedures for detecting and investigating possible fraudulent insurance acts. This description shall include:

1. An acknowledgment that the SIU has established criteria that will be used on a case by case basis to detect suspicious or fraudulent activity during investigations relating to the different types of insurance offered by that insurer;

2. An acknowledgment that the SIU has established criteria that will be used on a case by case basis for the investigation of acts of suspected insurance fraud relating to the different types of insurance offered by that insurer;

(c) A description of the SIU's procedures for the mandatory reporting of suspected fraudulent insurance acts directly to the Division pursuant to Section 626.989(6), F.S. This description shall include:

1. An explanation of the insurer's or SIU's method for reporting all suspected fraudulent insurance acts directly to the Division using a standard digital referral format as specified by the Division;

2. An acknowledgment that all such reports of suspected insurance fraud shall contain information that clearly defines and supports the allegation of suspicious activity.

3. An acknowledgment that all such reports of suspected insurance fraud shall be reported directly to the Division within 6 months of detection of the alleged suspicious activity, but within 12 months if such alleged suspicious activity was in relation to a natural emergency as defined in Section 252.34(7), F.S.

4. An explanation of the insurer's or SIU's method of recording and tracking all such reports of suspected insurance fraud to the Division;

(d) A description of the SIU's plan for anti-fraud education and training of its claims adjusters, SIU personnel, and any other personnel involved in anti-fraud related efforts. This description shall include:

1. A plan that involves training relating to the detection and investigation of fraudulent insurance acts for all personnel involved in anti-fraud related efforts.

2. A plan that involves on-going training during the reporting period;

(e) The contact information including names, email addresses, and telephone numbers, for personnel designated by the insurer or SIU to be responsible for achieving and maintaining compliance with Section 626.9891(1), F.S., and this rule chapter;

(f) The insurer's NAIC individual and group code numbers;

(2) An insurer or SIU subject to Section 626.9891(1), F.S., and this rule chapter, shall submit this SIU description via digital format as specified by the Division.

(3) An insurer or SIU subject to Section 626.9891(1), F.S., and this rule chapter, will have a 90 day grace period to submit their initial SIU description, and will have a 30 day grace period for each subsequent submission every three years thereafter.

69D-2.004 Insurer Anti-Fraud Plans.

(1) An insurer subject to Section 626.9891(2), F.S., shall file with the Division of Insurance Fraud such anti-fraud plan on or before July 1, 2006, and every 3 years thereafter, and such anti-fraud plan shall include:

(a) A written description or chart outlining the organizational arrangement of the insurer's anti-fraud personnel who are responsible for the investigation and reporting of possible fraudulent insurance acts.

(b) A description of the insurer's procedures for detecting and investigating possible fraudulent insurance acts. This description shall include:

1. An acknowledgment that the insurer has established criteria that will be used on a case by case basis to detect suspicious or fraudulent activity during investigations relating to the different types of insurance offered by that insurer;

2. An acknowledgment that the insurer has established criteria that will be used on a case by case basis for the investigation of acts of suspected insurance fraud relating to the different types of insurance offered by that insurer;

(c) A description of the insurer's procedures for the mandatory reporting of possible fraudulent insurance acts directly to the Division pursuant to Section 626.989(6), F.S. This description shall include:

1. An explanation of the insurer's method for reporting all suspected fraudulent insurance acts directly to the Division using a standard digital referral format as specified by the Division;

2. An acknowledgment that all such reports of suspected insurance fraud shall contain information that clearly defines and supports the allegation of suspicious activity.

3. An acknowledgment that all such reports of suspected insurance fraud shall be reported directly to the Division within 6 months of detection of the alleged suspicious activity, but within 12 months if such alleged suspicious activity was in relation to a natural emergency as defined in Section 252.34(7), F.S.

4. An explanation of the insurer's method of recording and tracking such reports of suspected insurance fraud to the Division;

(d) A description of the insurer's plan for anti-fraud education and training of its claims adjusters and any other personnel involved in anti-fraud related efforts. This description shall include:

1. A plan that involves training relating to the detection and investigation of fraudulent insurance acts for all employees involved in anti-fraud related efforts.

2. A plan that involves on-going training during the reporting period;

(e) The contact information, including names, e-mail addresses, and telephone numbers, for personnel designated by the insurer to be responsible for achieving and maintaining compliance with Section 626.9891(2), F.S., and this rule chapter;

(f) The insurer's NAIC individual and group code numbers;

(2) An insurer subject to Section 626.9891(2), F.S., and this rule chapter, shall submit this anti-fraud plan via digital format as specified by the Division.

(3) An insurer subject to Section 626.9891(2), F.S., and this rule chapter, will have a 90 day grace period to submit their initial anti-fraud plan, and will have a 30 day grace period for each subsequent submission every three years thereafter.

Specific Authority 624.308, 626.9891 FS. Law Implemented 624.307, 626.9891(2),(3) FS. History-New _____.

69D-2.005 Compliance and Enforcement.

(1) The Division and the Office shall conduct audits or request self-assessment examinations of insurer SIU descriptions or anti-fraud plans as deemed necessary to determine compliance with Section 626.9891, F.S., and this rule chapter.

(2) If a review of a submission of an SIU description or insurer anti-fraud plan reveals a deficiency in such description or plan as determined by the Division, the insurer shall have thirty (30) days from the date of notification from the Division to resolve such deficiency in their description or plan and provide the Division with a corrected submission. However, this additional thirty (30) day period does not apply in those situations where an insurer fails to submit their SIU description or anti-fraud plan to the Division before the expiration of the thirty (30) or ninety (90) day grace period provided in this rule chapter.

(3) If an insurer fails to timely file an anti-fraud plan or SIU description, fails to take corrective action as set forth in paragraph (2), fails to implement or follow the provisions of their anti-fraud plan or SIU description, or in any other way fails to comply with the requirements of Section 626.9891, F.S., and this rule chapter, the Office shall take appropriate administrative action as provided in the Florida Insurance Code.

Specific Authority 624.308, 626.9891 FS. Law Implemented 624.307, 626.9891(7) FS. History-New _____.