

PENNSYLVANIA ANTI-FRAUD PLAN ACTIVITY REPORT FAQ

Frequently Asked Questions	Answer
Are Companies required to have SIU's (special investigation units) in PA?	No, however, each insurer licensed to write motor vehicle and/or workers' compensation, and viatical settlement providers in the Commonwealth shall institute and maintain an anti-fraud plan in accordance with 75 Pa. C.S. §§ 1811 through 1824 (motor vehicle insurance), 77 P.S. §§ 1040.3 and 1040.4, and Chapter 119, Title 31 Pa. Code (workers' compensation) and 40 P.S. § 626.10 (viatical settlement providers). Also, these Companies are required to annually report anti-fraud activity.
We have 3 companies in Pennsylvania; do we have to file 3 separate reports?	That depends on how you filed your anti-fraud plan. If each company has its' own filed anti-fraud plan - then each must make a report. If a group plan was filed, then a group report is required.
Should we report our insurance fraud results in areas other than motor vehicle and workers' compensation insurance?	No. Please report only your motor vehicle and workers' compensation insurance business and anti-fraud activity on this REPORT.
We don't have a SIU and we don't keep records that tell us how many suspicious applications or claims we may be seeing each year. How do we report this?	If the Company does not keep the requested information, enter a Zero. Verification of the company's results or lack of results under anti-fraud plans will be determined through periodic examination.
What do you mean by the term suspected fraudulent application?	This is where your investigation finds a reasonable basis to believe that an omission or misrepresentation on application was made for the apparent purpose of defrauding your company of a correct premium charge.
What do you mean by the term suspected fraudulent claim?	This is a claim where your investigation finds that an omission or misrepresentation of fact was material to your company's claim decision and was made for the apparent purpose of defrauding your company of a claim payment or other policy benefit.
What is a fraud referral?	A fraud referral is any written or oral report you make to a law enforcement agency alleging insurance fraud, theft involving internal fraud, a fraudulent application, or a fraudulent insurance claim.
We refer cases to the NICB, is this considered a referral to a Law Enforcement agency?	Yes. The NICB (National Insurance Crime Bureau) maintains a partnership with Law Enforcement which allows a referral to the Bureau to be considered a referral to Law Enforcement.

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What is an anti-fraud program cost?	This cost will generally be the total of your company's payment of salary and benefits for SIU (or other employees) doing Pennsylvania anti-fraud work, plus the total of the company's payment of assessments to Pennsylvania's Insurance Fraud and Automobile Prevention Authorities during the report year, and plus the claim expense of any suspected fraudulent claim reported to federal, state or local law enforcement in Pennsylvania.
We operate our anti-fraud program in several states, including Pennsylvania. We don't track our costs separately by state. How should we report this?	Where Pennsylvania specific costs / expenses are not tracked, a prorated cost should be determined - on the basis of Pennsylvania business to total business. If your Company cannot separate its' Pennsylvania anti-fraud costs from its' overall costs, enter Zero.
How do we report on the amount of Fraud Identified? Especially where we stop the fraud before it is paid?	Fraud identified is the Company's calculation of the dollar value of fraud and theft or attempted fraud and theft where the company's investigation resulted in a finding of a reasonable basis to believe that insurance fraud or theft had occurred. Where the amount of attempted fraud or theft is not specifically shown by evidence the Company may include as identified fraud a loss avoidance amount based upon past business. A fraud identified amount shall be stated where insurance fraud or theft is reported to a criminal law enforcement agency for prosecution.