

Section 11. Regulatory Requirements

(a) Anti-Fraud Plans

Within six months of the effective date of this legislation, every Insurer with direct written premiums shall prepare, implement, maintain and submit to the department of insurance an insurance anti-fraud plan.

Each Insurer's anti-fraud plan shall outline specific procedures, appropriate to the type of insurance the Insurer writes in this state, to:

- (1) prevent, detect and investigate all forms of insurance fraud, including fraud involving the Insurer's employees or agents; fraud resulting from misrepresentations in the application, renewal or rating of insurance policies; claims fraud; and security of the Insurer's data processing systems.
- (2) educate appropriate employees on fraud detection and the Insurer's anti-fraud plan.
- (3) provide for the hiring of or contracting for fraud investigators.
- (4) report insurance fraud to appropriate law enforcement and regulatory authorities in the investigation and prosecution of insurance fraud.
- (5) pursue restitution for financial loss caused by insurance fraud, where appropriate.

The Commissioner may review each Insurer's anti-fraud plan to determine if it complies with the requirements of this subparagraph.

It shall be the responsibility of the Commissioner to assure Insurer compliance with anti-fraud plans submitted to the Commissioner. The Commissioner may require reasonable modification of the Insurer's anti-fraud plan, or may require other reasonable remedial action if the review or examination reveals substantial non-compliance with the terms of the Insurer's own anti-fraud plan.

The Commissioner may require each Insurer to file a summary of the Insurer's anti-fraud activities and results. The anti-fraud plans and the summary of the Insurer's anti-fraud activities and results are not public records and are exempt from the _____ public records act, and shall be proprietary and not subject to public examination, and shall not be discoverable or admissible in civil litigation.

This section confers no private rights of action.