

Reynold E. Becker
Vice President, Global Issues
and Research

January 26, 2009

Keri Kish
Anti-Fraud Counsel
National Association of Insurance Commissioners
2301 McGee Street – Suite 800
Kansas City, MO 64108

Re: PCI Comments on Draft Anti-Fraud Plan Guideline (Version 1)

Dear Keri:

Thank you for the opportunity to comment on the NAIC's draft Anti-Fraud Plan Guideline. Unless otherwise indicated, our comments follow the structure and layout of the document.

Section 2C – Definition of “fraudulent insurance act” – The umbrella definition speaks to acts or omissions committed “knowingly and with intent to defraud”. Suggest deleting “willful” from subsection (4), since it is unnecessary and could only confuse and complicate the issue of demonstrating criminal intent.

We also recommend adding “or soliciting” to the other inchoate acts mentioned in subsection (6).

Section 3 – Annual Reporting Requirement – Is annual reporting really necessary? Three years or five years would suffice. We are also a little concerned that the guideline provides examples “including, but not limited to” certain activities. Same concern with regard to “any other information prescribed by the commissioner”. We would prefer that the specific state law or regulation be cited. It is also my understanding that another NAIC model already deals with statistical reporting, so there is no need to create a potentially conflicting or duplicative mandate.

Section 4 – Fraud Plan Model – Same concern and suggestion regarding annual filings under Section 3.

Section 7 – Special Investigations Unit (SIU) Requirement – Please add language allowing insurers to contract with outside vendors or other organizations to meet the SIU requirement.

We look forward to continuing to work with the task force on this proposal.

Sincerely,

A handwritten signature in black ink that reads "Ray Becker". The signature is written in a cursive, slightly slanted style.

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REB/bw

cc: Dierdre Manna – PCI
Bob Passmore – PCI