

Washington — Fraud Plan — Chapter 285, Laws of 1995 - Sections 8 - 11

Section 9 — Each insurer licensed to write direct insurance in this state shall institute and maintain an insurance antifraud plan. An insurer licensed on the effective date of this act shall file its antifraud plan with the insurance commissioner no later than December 31, 1995. An insurer licensed after the effective date of this act shall file its antifraud plan within six months of licensure. An insurer shall file any change to the antifraud plan with the insurance commissioner within thirty days after the plan has been modified.

Section 10 — An insurer's antifraud plan must establish specific procedures to:

- (1) Prevent insurance fraud, including internal fraud involving employees or company representatives, fraud resulting from misrepresentation on applications for insurance coverage, and claims fraud;
- (2) Review claims in order to detect evidence of possible insurance fraud and to investigate claims where fraud is suspected;
- (3) Report fraud to appropriate law enforcement agencies and cooperate with those agencies in their prosecution of fraud cases;
- (4) Undertake civil actions against persons who have engaged in fraudulent activities;
- (5) Train company employees and agents in the detection and prevention of fraud."

Section 11 — If after review of an insurer's antifraud plan, the commissioner finds that the plan does not comply with section 10 of this act, the commissioner may disapprove the antifraud plan . . .

Note: In 1997, HB 1002 exempted life and health insurers from anti-fraud plan requirements.

Department Advisory:

<http://www.insurance.wa.gov/companies/anti-fraud-guidelines.shtml>