



State of New Jersey

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October 31, 2014

Anti-fraud Prevention and Detection Plan

On January 24th 2014, N.J.A.C. 11:16-6 Fraud Prevention and Detection Plans was readopted with amendments. The new rules set forth the requirements for an Anti-fraud Prevention and Detection Plan. The amendments require, among other things, expanded definitions and terms used in the rule and sets forth requirements for formatting and structure of the Anti-fraud Prevention and Detection Plan.

The readopted rule requires the plan to include page numbering, a table of contents and sets forth a structure for the insurer's anti-fraud prevention and detection training program, protocol, and procedure manual. Subsequent amendments to the plan shall be recorded in an *Update Page*: the effective date; page number; location; and explanation of the amendments.

The Anti-fraud Prevention and Detection Plan includes two parts: a *Protocol* and a *Procedure Manual*.

The *Protocol* is made of two parts:

Part 1:

Sections to include elements set forth in:

§ 11:16-6.4 Special Investigations Unit (SIU)--duties, qualifications, and composition

§ 11:16-6.6 Fraud prevention and detection plan

§ 11:16-6.7 Referrals to the Bureau and the Office of the Insurance Fraud Prosecutor

Part 2:

§ 11:16-6.5(a) Training program

Procedure Manual requirements are set forth in

§ 11:16-6.5(b) Training program and manual for the prevention and detection of fraud

A specimen *Protocol* and *Procedure Manual* are provided at http://www.state.nj.us/dobi/division_consumers/insurance/mceu.html.

The specimens are intended to provide guidance in developing individual and specific plans.

Depending on the nature of an individual company's business, some items in the specimens might not be appropriate and therefore not included in the plan submitted.

Companies are not precluded from including any material in the *Protocol* and *Procedure Manual* that is deemed appropriate for that company's procedure manual. The rule sets forth minimum requirements that must be included, when appropriate for the Department to approve the plan.

As always, any questions or comments can be addressed to <mailto:mceafc@dobi.state.nj.us>.

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