



Considerations for Establishing an Anti-Fraud Policy

While the Nebraska Department of Insurance does not require the filing of a fraud plan, it recognizes the importance of reducing operational risks through fraud awareness. As such, the Department would like to provide some guidance to carriers who wish to strengthen their fraud controls by creating and implementing an internal fraud policy.

During a market conduct and/or a financial examination, the Nebraska Department of Insurance may request a carrier to provide a summary of its anti-fraud activities and the corresponding results. Pursuant to Neb. Rev. Stat. §44-5906(8)(a), an anti-fraud summary provided to the Department in the course of an examination conducted under the Insurers Examination Act shall be given confidential treatment by the Department, shall not be subject to subpoena, shall not be made public by any person except to the extent provided in Neb. Rev. Stat. §44-5906(7), and shall not be public records subject to disclosure under public records request outlined in Neb. Rev. Stat. §84-712 to 84-712.09.

Anti-fraud policies outline specific procedures, appropriate to the lines of insurance the carrier writes in Nebraska, with the following suggestions, at a minimum:

- I. Preventing, detecting and investigating all forms of insurance fraud covering insurance that the carrier is authorized to write in Nebraska, including, but not limited to:
 - A. fraud involving the carrier's employees or agents;
 - B. claims fraud; and
 - C. security of the carrier's data processing systems.
- II. Educating appropriate employees on fraud prevention and detection, the Nebraska Mandatory Fraud Reporting Statute, Neb. Rev. Stat. § 44-393, and the carrier's anti-fraud policy.
- III. Informing policyholders about insurance fraud and how to prevent it.
- IV. Encouraging the reporting of suspected incidents of insurance fraud to the Insurance Fraud Prevention Division of the Nebraska Department of Insurance.
- V. Encouraging legal pursuit of restitution for financial loss caused by insurance fraud where appropriate.
- VI. Designating or identifying the person responsible for oversight and implementation of the carrier's anti-fraud policy.

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