



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger

COMMISSIONER OF INSURANCE

Bulletin 2006-02

TO: All Insurers Licensed to Write Business in Kansas

FROM: Sandy Praeger
Commissioner of Insurance

DATE: June 29, 2006

RE: Anti-Fraud Reporting System

K.S.A. 2005 Supp. 40-2,118 has been amended by Senate Bill No. 207, effective July 1, 2006. SB 207 states, "An insurer that has knowledge or good faith belief that a fraudulent insurance act is being or has been committed shall provide to the Commissioner, on a form prescribed by the Commissioner, any and all information and such additional information relating to such fraudulent insurance act as the Commissioner may require." The form prescribed by the Commissioner is the National Association of Insurance Commissioners Online Fraud Reporting System ("the system"). A link to the system will be available on this department's website at:

<http://www.ksinsurance.org/industry/reportfraud.htm>

Included in the SB 207 is a requirement for insurers to have anti-fraud initiatives that are reasonably calculated to detect fraudulent acts. Anti-fraud initiatives may include fraud investigators, who may be insurer employees or independent contractors or an antifraud plan submitted to the Kansas Commissioner of Insurance ("the Commissioner") no later than July 01, 2007.

Additionally, the Commissioner has prescribed that antifraud plans are to be submitted electronically through the Kansas Insurance Department Company Desktop secure website. It is anticipated that facilities for online submission of antifraud plans will be available on Company Desktop by August 31, 2006. A link is available now on the login page to a document describing Company Desktop and how to acquire user IDs. Log in to Company Desktop at:

<https://towerii.ksinsurance.org/kid>

Anti-fraud plans may be submitted in PDF or Microsoft Word formats and in Zip files containing these formats. Although it is not required, compliance with the National Association of Insurance Commissioners' recommended guidelines for anti-fraud initiatives is desirable. If the submitting company has a special investigations unit in place (in-house or contracted), a letter briefly detailing the existence and function of the unit will suffice as compliance to the statute. Submission of the letter should be through the Kansas Insurance Department's Company Desktop secure website.

If you have any questions regarding this Bulletin, please contact Ted Clark, Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas 66612, 785-296-2752 or email tclark@ksinsurance.org.