

**Effective 5/10/2016**

**31A-31-112 Insurance antifraud plan.**

- (1) An insurer, as defined in Section 31A-31-102, shall prepare, implement, and maintain an insurance antifraud plan for its operations in this state.
- (2) The insurance antifraud plan required by Subsection (1) shall outline specific procedures, actions, and safeguards that include how the authorized insurer or health maintenance organization will do each of the following:
  - (a) detect, investigate, and prevent all forms of insurance fraud, including:
    - (i) fraud involving its employees or agents;
    - (ii) fraud resulting from misrepresentations in the application, renewal, or rating of insurance policies;
    - (iii) fraudulent claims; and
    - (iv) breach of security of its data processing systems;
  - (b) educate employees of fraud detection and the insurance antifraud plan;
  - (c) provide for fraud investigations, whether through the use of internal fraud investigators or third-party contractors;
  - (d) report a suspected fraudulent insurance act, as described in Section 31A-31-103, to the department as required by Section 31A-31-110; and
  - (e) pursue restitution for financial loss caused by insurance fraud.
- (3) The commissioner may investigate and examine the records and operations of authorized insurers and health maintenance organizations to determine if they have implemented and complied with the insurance antifraud plan.
- (4) The commissioner may:
  - (a) direct any modification to the insurance antifraud plan necessary to comply with the requirements of this section; and
  - (b) require action to remedy substantial noncompliance with the insurance antifraud plan.

Enacted by Chapter 138, 2016 General Session