

## **PROJECT HISTORY - 2003**

### **INSURANCE FRAUD PREVENTION MODEL ACT (#680)**

#### **1. Project Description**

The Federal/State Coordinating Working Group of the Antifraud (G) Task Force proposed amendments to Section 8 of the Insurance Fraud Prevention Model Act regarding confidentiality to add statutory language so that a commissioner could provide prosecutors with information concerning fraud. The changes would strike references to law enforcement in Section 8C(1) and 8C(2), would delete Section 8C(3), and add a new Section 8D that would provide for information sharing with law enforcement and prosecutorial authorities.

#### **2. Group Responsible for Drafting Model and States Participating**

The Federal/State Coordinating Working Group of the Antifraud (G) Task Force initially addressed the issue after reviewing background behind model laws for information sharing and agreed to examine the changes at the NAIC Fall 2002 meeting. Mike Bownes of Alabama chaired the working group and Joe Cohen of Kentucky proposed the changes. The following states were members of the working group: Alabama, Arkansas, California, Connecticut, District of Columbia, Delaware, Iowa, Kentucky, Louisiana, North Carolina, New Hampshire, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Texas, and Utah.

#### **3. Charge Authorizing Project**

Coordinate with federal, state, and international law enforcement officials in addressing antifraud issues relating to the insurance industry and develop material that will assist state regulators and law enforcement agencies in their efforts to combat fraud.

#### **4. General Description of Drafting Process**

The drafting process was very open as the Federal/State Coordinating Working Group solicited comments from all interested parties, including interested regulators, funded consumer representatives and industry representatives. All of the meeting and conference calls of the working group were open to all parties. All revised language of the draft were posted on the NAIC website and circulated for comment. The working group received no comments, and the Task Force adopted the amendments to Section 8 of the Insurance Fraud Prevention Model Act on a February 19, 2003, conference call.

#### **5. Significant Issues Raised**

There were no significant issues raised.