

**AUTHORIZED CALIFORNIA INSURERS
2023 CALIFORNIA SIU ANNUAL REPORT**

PRIMARY REPORTING INSURER

Primary Reporting Insurer:

California Certificate of Authority Number:

The above-named company has established and is maintaining a Special Investigative Unit (SIU) on behalf of the company(s) listed on page 2.

ALL line(s) of insurance your company(ies) is *currently WRITING* in California.

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Aircraft | <input checked="" type="checkbox"/> Automobile | <input type="checkbox"/> Boiler and Machinery | <input checked="" type="checkbox"/> Burglary |
| <input type="checkbox"/> Common Carrier Liability | <input type="checkbox"/> Credit | <input type="checkbox"/> Disability | <input type="checkbox"/> Financial Guaranty |
| <input checked="" type="checkbox"/> Fire | <input type="checkbox"/> Legal Insurance | <input checked="" type="checkbox"/> Liability | <input type="checkbox"/> Life |
| <input checked="" type="checkbox"/> Marine | <input checked="" type="checkbox"/> Miscellaneous | <input type="checkbox"/> Mortgage | <input type="checkbox"/> Mortgage Guaranty |
| <input checked="" type="checkbox"/> Plate Glass | <input type="checkbox"/> Sprinkler | <input type="checkbox"/> Surety | <input type="checkbox"/> Team and Vehicle |
| <input type="checkbox"/> Work Comp | <input checked="" type="checkbox"/> Company is in CDI-approved Runoff | <input checked="" type="checkbox"/> No active policies in California or Exempt Insurer | <input type="checkbox"/> No new business but active policies exist |

INSURER CONTACT INFORMATION

E-mail Address

SIU ANNUAL REPORT CONTACT INFORMATION

Contact for questions about this report or scheduling an onsite audit (if different from SIU Contact above). Document the physical location where SIU investigation files and claims files are located or accessed should the California Department of Insurance schedule a field audit:

CERTIFICATION

This certification must be signed by an officer of the holder of or applicant for the Insurer's California Certificate(s) of Authority.

I attest to the accuracy of the reported information and the signor's personal knowledge of the existence and proper maintenance of the SIU described in this report. I declare, under penalty of perjury, pursuant to the laws of the State of California, that the foregoing is true and correct and that this declaration was signed on:

Date _____

Location (City & State)

PRINTED/TYPED NAME:

TITLE:

SIGNATURE:

Officer of the Holder of or Applicant for the Certificate of Authority

An officer of the holder of or applicant for the California Certificate(s) of Authority must sign the report. The report with the original wet ink signature must be maintained by the insurer for a minimum of five (5) years, to be available for inspection upon CDI request.

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INSTRUCTIONS: If applicable, list the names of subsidiary companies within your group and any other companies, who are authorized to write insurance in California and are serviced by this SIU. **PLEASE NOTE:** An original SIU Annual Report must be completed and submitted for each company that is serviced by a different SIU.

Report requested claims data individually for all insurers listed below. Report only California claims and related suspected fraud; enter zero (0) if there were none. Please avoid duplication of open/closed claims in the number of total claims processed.

COMPANIES SERVED BY PRIMARY REPORTING SIU

During Calendar Year 2023, the primary reporting insurer named below operated this SIU on behalf of the following companies. List only the companies authorized to write insurance in California. Numbers must be reported separately for each company.

Company Name		Calendar Year 2023			
		Number of California Claims Processed	Number of Incidents of Suspected Insurance Fraud Reported To:		
			Insurer Siu	California Dept. Of Insurance	District Attorney
Primary Insurer:					
TOTAL:					

CONTRACTED SIU FUNCTIONS CCR Section 2698.40(b)(2) & (11)

The primary insurer has entered into a written contract with the following company(ies) to perform one or more SIU functions. **UPLOAD THE EXECUTED CURRENT CONTRACT(S), INCLUDING ANY ADDENDUMS:**

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SIU PERSONNEL DIRECTORY - List the name(s), title(s), and contact information of the insurer's SIU personnel

[illegible]☐ External/Contracted Personnel

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INSTRUCTIONS: List all civil actions initiated during calendar year 2023 by each respective company alleging acts of insurance fraud. This includes any civil actions initiated per California Insurance Code §1871.7(e)(1) (Qui Tam i.e. Whistleblower cases which are defined as follows: "Any interested persons, including an insurer, may bring a civil action for a violation of this section for the person and for the State of California. The action shall be brought in the name of the state. The action may be dismissed only if the court and the district attorney or the commissioner, whichever is participating, give written consent to the dismissal and their reasons for consenting."

California Code of Regulations, Title 10, §2698.40(b)(12).

Case Name	eFD-1/ FD-1 #	County Filed	Case #	Date Filed	Type of Case	Attorney Contact Information
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AND WRITTEN PROCEDURES

1.
 - A. Go to the Attachment tab located at the top of this page and upload a copy of the written procedure(s) established by your SIU for calendar year 2023, which were provided to your integral anti-fraud personnel (claim staff, underwriters, premium auditors, etc.), to detect, identify, document and refer suspected insurance fraud to the SIU.
 - B. If these procedures have been updated in 2024, upload the 2024 procedures also.
 - C. In the space provided below, identify the page number and/or section number within the written procedures where directions are provided for the comparison of any insurance transaction against:
 - (1) Patterns or trends of possible fraud,
 - (2) Red flags,
 - (3) Events or circumstances present on a claim,
 - (4) Behavior or history of person(s) submitting a claim or application; and
 - (5) Other criteria that may indicate possible fraud.

California Code of Regulations, Title 10, §2698.35, 2698.40(b)(4)

2. **A.** Go to the Attachment tab located at the top of this page and upload a copy of the written investigation SIU procedures used by your SIU in calendar year 2023 for the investigation of suspected insurance fraud.
- B.** If these procedures have been updated in 2024, upload the 2024 procedures also.
- C.** In the space provided below, identify the page number and/or section where the SIU written investigation procedures require:
- (1) A thorough analysis of a claim file, application, or insurance transaction;
 - (2) Identification and interviews of potential witnesses who may provide information on the accuracy of the claim or application;
 - (3) Utilizing industry-recognized databases;
 - (4) Preservation of documents and other evidence;
 - (5) Writing a concise and complete summary of the investigation, including the investigator's findings regarding the suspected insurance fraud and the basis for their findings.

California Code of Regulations, Title 10, §2698.36, 2698.40(b)(4)

3. In the space provided below, describe in detail any computer programs, written procedures or other methodologies used by the company(s) in calendar year 2023 to identify claims, applications (or other transactions) for patterns or trends that may indicate or reflect possible insurance fraud.

4. In the space provided below, describe by line of business, any insurance fraud patterns or trends your company(s) identified in calendar year 2023, and describe in detail the procedures put in place to deter and detect the identified pattern or trend of possible insurance fraud.

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A. METHODS AND WRITTEN PROCEDURES (Continued)

5. In the space provided below, describe:

- A.** The insurer's quality control process designed to ensure that all integral anti-fraud personnel are properly identifying instances of suspected fraud and referring the transaction to the SIU.
- B.** Whether there is an intermediate step where suspected fraud is reviewed by integral anti-fraud personnel management prior to submission to the SIU.
- C.** The SIU quality control process which ensures:
 - (1)** SIU investigations include all of the requirements contained in California SIU regulations, and
 - (2)** all eFD-1/FD-1 Suspected Fraudulent Claim Referral Forms are timely, accurate, complete, and include a synopsis which states the facts that support your suspicion of fraudulent activity, including any material misrepresentation(s).

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B. ORGANIZATION AND STAFFING

1. Go to the Attachment tab located at the top of this page and upload a copy of your 2023 SIU organizational chart, including names and titles of personnel.

California Code of Regulations, Title 10, §2698.40(b)(6)

2. Provide one of the following:

A. Go to the Attachment tab located at the top of this page and upload all of your SIU staff resumes

OR

B. Describe the knowledge of each SIU staff member in the space provide below. Describe how:

- (1)** The SIU staff have knowledge and/or experience in general claims practices, the analysis of claims for patterns of fraud, and current trends in insurance fraud, education and training in specific red flags, red flag events, and other criteria indicating possible fraud.
- (2)** The SIU staff have the ability to conduct effective investigations of suspected insurance fraud and are familiar with insurance and related law and the use of available insurer related database resources.

California Code of Regulations, Title 10, §2698.32(b), 2698.40(b)

3. In the space provided below, describe how your SIU is adequately staffed to:
- A. fulfill the requirements for investigating and referring suspected insurance fraud to the California Department of Insurance
 - B. provide the required training to the insurer's new hires and integral anti-fraud personnel

California Code of Regulations, Title 10, §2698.32(a) , 2698.40(b)(7)

4. "Integral anti-fraud personnel includes" insurer personnel whose duties include or may include the processing, investigating, or litigation pertaining to payment or denial of a claim or application for adjudication or claim, or application for insurance. These personnel may include claims handlers, underwriters, policy handlers, call center staff within the claims or policy function, legal staff, and other insurer employee classifications that perform similar duties. These personnel do not include staff directly assigned to the SIU. **California Code of Regulations, Title 10, §2698.30(k).**
- A. Using the Attachment tab located at the top of the page, upload the organizational chart and phone roster as of December 31, 2023 that list all integral anti-fraud personnel of the primary insurer and each subsidiary who service California business lines.

OR

- B. For the primary and all subsidiaries, by job classification provide the total number of "Integral anti-fraud personnel" who service California business lines, as follows:

Primary - Claims Handlers___; Underwriters___; policy handlers___; call center staff___; legal staff___; Premium auditors___ other___

Subsidiary - Claims Handlers___; Underwriters___; policy handlers___; call center staff___; legal staff___; Premium auditors___ other___

Subsidiary #2, etc...

California Code of Regulations, Title 10, §2698.40(b)(6)

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B. ORGANIZATION AND STAFFING (Continued)

5. Describe any significant, anticipated changes to the insurer’s structure and operations.

California Code of Regulations, Title 10, §2698.40(b)(10)

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C. EDUCATION AND TRAINING

1. **A.** Go to the Attachment tab located at the top of this page and upload a copy of the anti-fraud orientation materials, provided in 2023 to all **newly-hired employees** of the primary and subsidiary company(s) within 90 days of commencing assigned duties.
- B.** If these procedures have been updated in 2024, upload the 2024 procedures also.
- C.** In the space provided below identify the page number or section number where the training material addresses:
 - (1) the function and purpose of the SIU;
 - (2) an overview of fraud detection and referral of suspected insurance fraud to the SIU for investigation;
 - (3) a review of California Fraud Division insurance fraud reporting requirements;
 - (4) an organization chart depicting the insurer's SIU; and
 - (5) SIU contact telephone numbers.

California Code of Regulations, Title 10, §2698.39(c)(1), 2698.40(b)(5)

2. A. Go to the Attachment tab located at the top of this page and upload a copy of the training materials used in the annual anti-fraud training the SIU PROVIDED to **integral anti-fraud personnel** of the primary and subsidiary company in calendar year 2023.
- B. In the space provided below identify the page number or section number where the training material addresses:
- (1) review of the function and purpose of the SIU;
 - (2) introduction/review of the written procedures established by the SIU regarding the identification, documentation and referral of incidents of suspected fraud to the SIU;
 - (3) identification and recognition of red flags or red flag events;
 - (4) any changes to current procedures for identifying, documenting and referring incidents of suspected insurance fraud to the SIU;
 - (5) California Fraud Division insurance fraud reporting requirements; and
 - (6) introduction/review of existing and new, emerging insurance fraud trends.

California Code of Regulations, Title 10, §2698.39(c)(2), 2698.40(b)(5)

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C. EDUCATION AND TRAINING (Continued)

3. A. Go to the Attachment tab located at the top of this page and upload certificates of completion, sign-in sheets or other documentation which substantiates that SIU staff received continuing anti-fraud training in calendar year 2023.

OR

- B. In the space provide below, list the title, date and source of education and training each **SIU staff member RECEIVED** in calendar year 2023 and the documentation used to verify all SIU employees' attendance (e.g., certificates of completion, sign-in sheets, employee certifications, etc.).
- C. Regardless of whether you completed question 3.a or 3.b, in the space below, identify the specific calendar year 2023 training(s) where each SIU staff member received continuing anti-fraud training which covered:
- (1) investigative techniques;
 - (2) communication with the Fraud Division and authorized governmental agencies;
 - (3) fraud indicators;
 - (4) emerging fraud trends; and
 - (5) legal and related issues.

California Code of Regulations, Title 10, §2698.39(c)(3)

- 4. A.** Describe the process used to ensure
- (1)** all newly-hired employees receive anti-fraud orientation within the required time frame;
 - (2)** all integral anti-fraud personnel receive required annual training, and,
 - (3)** SIU employees receive required continuing education.
- B.** Provide the name, title, location address and telephone number of the person responsible for maintaining these training records for verification purposes.

5. Go to the Attachments tab located at the top of this page and upload one sample of the training record used to document calendar year 2023 new hire and integral anti-fraud personnel training (e.g., sign-in sheet, online submission record, etc.)

California Code of Regulations, Title 10, §2698.39(d)

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D. THIRD PARTY ADMINISTRATORS AND/OR CONTRACTED SIUs

1. A. In the space provided below:

- (1)** list the names of all TPAs and MGAs,
- (2)** list the services they provide, and
- (3)** state whether the TPA or MGA maintains its own SIU, uses the SIU of the primary insurer, or contracts with an external SIU.

B. Go to the Attachment tab located at the top of this page and upload copies of all TPA and SIU executed contracts in effect for any part of calendar year 2023:

- (1)** Contracts (including all attachments, exhibits, addendums and amendments) between the insurer and its contracted SIU,
- (2)** Contracts (including all attachments, exhibits, addendums and amendments) between the insurer and the TPA,
- (3)** Contracts (including all attachments, exhibits, addendums and amendments) between each TPA and its contracted SIU.

C. If a TPA or MGA utilizes its own SIU, go to the Attachment tab located at the top of this page and upload a copy of the written SIU investigation procedures used by the TPA's or MGA's SIU.

California Code of Regulations, Title 10, § 2698.40(b)(11)

2. **A.** Go to the Attachment tab located at the top of this page and upload the written procedure(s) provided to each TPAs or MGAs integral anti-fraud personnel (claim staff, underwriters etc.) in calendar year 2023 to detect, identify, document and refer suspected insurance fraud to the SIU.
- B.** In the space provided below, Identify the page and/or section number where each written procedure provides direction on the comparison of any insurance transaction against:
- (1) patterns or trends of possible fraud,
 - (2) red flags,
 - (3) events or circumstances present on a claim,
 - (4) behavior or history of person(s) submitting a claim or application; and
 - (5) other criteria that may indicate possible fraud.

California Code of Regulations, Title 10, §2698.35, 2698.40(b)(4)

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D. THIRD PARTY ADMINISTRATORS AND/OR CONTRACTED SIUs (Continued)

3. **A.** Go to the Attachment tab located at the top of this page and upload the anti-fraud orientation **provided in calendar year 2023 to all TPA and MGA newly-hired employees** within 90 days of commencing assigned duties.
- B.** In the space provide below, describe the process used to ensure and verify all newly-hired employees receive the anti-fraud orientation within the required time frame.
- C.** For the uploaded training material provided for each TPA or MGA, identify the page and/or section number where the training material addresses:
- (1) the function and purpose of the SIU;
 - (2) an overview of fraud detection and referral of suspected insurance fraud to the SIU for investigation;
 - (3) a review of California Fraud Division insurance fraud reporting requirements;
 - (4) an organization chart depicting the insurer's SIU; and
 - (5) SIU contact telephone numbers.

California Code of Regulations, Title 10, §2698.39(c)(1), 2698.40(b)(5)

4. **A.** Go to the Attachment tab located at the top of this page and upload the training materials used in annual **anti-fraud training for TPA and MGA integral anti-fraud personnel in 2023**.
- B.** In the space provide below, list the dates where the training was provide and the process used to verify employees' participation.
- C.** Identify the page number or section number where the training material addresses:
- (1) review of the function and purpose of the SIU;
 - (2) introduction/review of the written procedures established by the SIU regarding the identification, documentation and referral of incidents of suspected fraud to the SIU;
 - (3) identification and recognition of red flags or red flag events;
 - (4) any changes to current procedures for identifying, documenting and referring incidents of suspected insurance fraud to the SIU;
 - (5) California Fraud Division insurance fraud reporting requirements; and
 - (6) introduction/review of existing and new, emerging insurance fraud trends.

California Code of Regulations, Title 10, §2698.39(c)(2), 2698.40(b)(5)