



**State of New Jersey**  
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**BULLETIN NO. 05-01**

**TO: ALL INSURERS AUTHORIZED TO TRANSACT PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NEW JERSEY; ALL INSURANCE COMPANIES, MEDICAL SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, AND HEALTH SERVICE CORPORATIONS AUTHORIZED TO TRANSACT HEALTH INSURANCE IN NEW JERSEY; ALL DENTAL SERVICE CORPORATIONS AND DENTAL PLAN ORGANIZATIONS AUTHORIZED TO TRANSACT BUSINESS IN NEW JERSEY**

**FROM: HOLLY C. BAKKE, COMMISSIONER**

**RE: FRAUD PREVENTION AND DETECTION PLANS -- ANNUAL REPORT FORMS**

N.J.S.A. 17:33A-15a requires insurers writing health or private passenger automobile insurance in New Jersey to file fraud prevention and detection plans with the Commissioner of Banking and Insurance (Commissioner). N.J.A.C. 11:16-6 establishes the standards for fraud and theft prevention/detection plans relating to both automobile and health insurers. N.J.A.C. 11:16-6.8 requires insurers to submit an annual report to the Commissioner, which contains claims and other information relevant to the insurer's fraud prevention and detection plans. The prescribed annual report form appears in the Appendix to N.J.A.C. 11:16 as Form DAFC #1.

The Insurance Company Fraud Practices Advisory Board, in consultation with insurers throughout the State, recommended changes in the current annual reporting format to enable insurers to facilitate the gathering and reporting of fraud prevention and detection information. As a result, the Department has recently proposed to replace the current single reporting form with separate forms to be used by auto and health insurers. The new forms capture the same data typically obtained by the insurers for their own internal purposes and for reporting to other state regulators. Also, the new forms should enable the Department to make more meaningful comparisons between insurers.

The purpose of this Bulletin is to advise insurers that they may opt to utilize the new reporting forms prior to adoption of the Department's proposal. The proposal and new forms can be found in the January 18 issue of the New Jersey Register at 37 N.J.R. 199(a), and on the Department's website at www.njdobi.org. Any questions concerning this Bulletin can be addressed to:

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1/25/05  
Date

/s/ Holly C. Bakke  
Holly C. Bakke, Commissioner

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