

## **Appendix K**

### **CAR SIU File Review Process Section 1 - MAIP Policies**

The following procedures modify the SIU Review Process contained in Appendix K effective May 13, 2011:

ARCs are required by MGL, c. 175, § 113 H and Rule 30 to maintain a Special Investigative Unit (SIU) to investigate suspicious or questionable motor vehicle insurance claims for the purpose of eliminating fraud. Rule 32 C. requires that the SIU investigate claims on any policies that are issued through MAIP and on policies issued on a voluntary basis by ARCs. The SIU shall investigate suspicious circumstances surrounding underwriting, rating, and premium issues. The SIU must have at least one full time employee whose responsibility is principally directed towards the recognition and investigation of fraud.

ARCs will continue to report SIU activity - assignments, denials, compromises, and savings to CAR using the standardized SIU Quarterly Activity Log. During the triennial Hybrid Audit a sample of 25 voluntary and/or MAIP claims or underwriting cases selected from the SIU log will be reviewed to determine the effectiveness of the ARC's fraud screening and quality of the SIU investigations. The cases will be evaluated on the quality of investigation, timeliness of investigation, resolution, statutory requirements, and accuracy of savings.

Additionally, Rule 32 C. requires the ARC to conduct an audit of voluntary and MAIP policies to verify garaging and policy facts. The results of these audits will be reviewed during the Hybrid Audit.

#### **Definitions**

SIU: Special Investigations may be performed by SIU personnel or other personnel trained to handle suspicious claims using activity checks, surveillance, accident reconstruction, statements or examinations under oath. Special investigations also include third party expert analysis of documents associated with suspicious claims. Liability investigations are not considered to be special investigations.