

- A. ARCs are required by G.L. c.175, §113H and Rule 30 to maintain a SIU to investigate suspicious or questionable motor vehicle insurance claims for the purpose of eliminating fraud. The SIU must have at least one full time employee whose responsibility is principally directed towards the recognition and investigation of fraud. ARCs are required 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.

- B. Rule 32 requires that the ARC's SIU investigate suspicious claims on all policies whether issued through the MAIP or issued voluntarily. Also, the SIU shall investigate suspicious circumstances surrounding underwriting, rating, and premium issues. Additionally, Rule 32.C. requires the ARC to conduct an audit of voluntary and MAIP policies to verify garaging and policy facts. The SIU relevant components are included in the Hybrid Audit report and considered by the Compliance and Operations Committee upon completion.

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.