



**Instructions**

Please answer all questions to the best of your ability. If you are unable to provide exact amounts, please use realistic estimations based on your experiences and other data collection.

For purposes of clarity and having uniformity in replies, the following definitions should be referred to in answering questions:

*Head of SIU:* Employee who has chief responsibility for directing SIU operations, is involved in setting anti-fraud policy and has authority over SIU personnel decisions.

*Supervisor:* Employee within SIU who has direct reports and may also be assigned cases for investigation.

*Major case unit:* Entity within SIU that focuses exclusively on cases involving organized rings, large dollar amounts or some other parameter outside of routine cases.

*Data analysis unit:* Entity within SIU that supports investigative efforts and uncovers potential frauds through the analysis of various internal and external data.

*Public records unit:* Entity within SIU that supports investigative efforts by obtaining data through public records at the request of investigators.

*Centralized structure:* Most SIU operations and personnel reporting structure and most major investigative and policy decisions reside with the home office.

*Decentralized structure:* Most SIU operations and personnel reporting structure and most major investigative and policy decisions reside with individual field or regional offices.

*Referrals:* Notices of suspected fraud from various internal sources. Not assists with routine claims inquiries.

*Cycle time:* Average number of days from when a referral is accepted for investigation to when the investigation is concluded.

**Organizational structure**

1. Is your SIU mostly centralized in one location, such as your headquarters, or is it mostly decentralized with offices in the field?

- \_\_\_\_\_ Mostly centralized
- \_\_\_\_\_ Mostly decentralized
- \_\_\_\_\_ A combination of both (% centralized \_\_\_\_\_, % decentralized \_\_\_\_\_)

2. What percentage of SIU employees are:

- located at headquarters \_\_\_\_\_%
- located in field offices \_\_\_\_\_%
- = 100 %

3. Do SIU personnel report directly to the head of SIU? yes no

4. Does the head of SIU set objectives for the entire SIU organization? yes no

5. Are regional SIU managers allowed to set objectives for their group? yes no

6. Does the SIU operation have the authority to allocate resources as needed? yes no

7. Does the head of SIU control the budget for the entire SIU organization? yes no

8. Does the head of the SIU have policy and procedures authority:

– Over the entire SIU organization? yes no

– Over a core group located in home office? yes no

– Over corporate anti-fraud policies? yes no

– Over compliance? yes no

– Other \_\_\_\_\_

9. To what department or division does the SIU report?

Claims

Legal

Corporate

Other \_\_\_\_\_

10. What is the title of the person to whom the head of SIU reports?

CEO

Assistant Vice President

President

Director

Executive Vice President

Manager

Senior Vice President

Consultant

Vice President

Other \_\_\_\_\_

11. How many reporting levels are there between the head of SIU and the CEO?

*ex: SIU director > vice president > senior vice president > CEO would be three levels.*

1  4

2  5

3  6 or more

**Areas of responsibility**

1. Please check all the areas for which the SIU has responsibility:

- Investigating claims fraud
- Recommending claims settlements
- Investigating underwriting fraud
- Internal security, including employee actions and agency force
- Anti-fraud compliance
- Subrogation/recovery
- Complex claims investigation not involving fraud?
- Anti-fraud training of SIU personnel
- Fraud awareness training internally
- Fraud awareness (externally – outside the company)
- Vendor management
- Other \_\_\_\_\_

**Staffing**

1. How many full-time equivalents (FTEs) are employed within SIU as of January 1, 2013?

\_\_\_\_\_

2. How many full-time equivalents<sup>1</sup> (FTEs) were employed within SIU as of January 1, 2012?

\_\_\_\_\_

3. How many of FTEs currently employed are:

- Managers
- Supervisors or team leaders
- Office or desk investigators
- Field investigators
- Analysts
- Attorneys
- Intake operators or gatekeepers
- Administrators and other support personnel
- Other

4. On average, what is the number of FTE that report to SIU::

- Managers \_\_\_\_\_
- Supervisors \_\_\_\_\_

5. Do supervisors also carry an investigative load?

\_\_yes \_\_no

\_\_\_\_\_

<sup>1</sup> A full-time equivalent (FTE) equals 40 hours per week. For example, two part-time employees working 20 hours per week would equal one full-time equivalent.

6. Of the new investigators hired within the last three years, what percentage were:

- \_\_\_\_\_ existing company employees
- \_\_\_\_\_ hired externally

7. Of the new investigators hired within the last year, what percentage had previous professional experience in:

- \_\_\_\_\_ % law enforcement
- \_\_\_\_\_ % claims
- \_\_\_\_\_ % medical
- \_\_\_\_\_ % SIU

8. Does your company employ a capacity model to determine optimum staffing levels? \_\_yes \_\_no

If yes, what factors are used in the model? (check all that apply)

- \_\_\_ Number of referrals
- \_\_\_ Caseload
- \_\_\_ Cycle time<sup>2</sup>
- \_\_\_ Average value of claims
- \_\_\_ Claims volume
- \_\_\_ Policies in force
- \_\_\_ Regulatory compliance issues
- \_\_\_ Direct premium written
- \_\_\_ Other (please specify)\_\_\_\_\_

9. Does the SIU include a dedicated major case unit? \_\_yes \_\_no

If yes, how many FTEs are assigned to the unit? \_\_\_\_\_

What services do they provide?

- \_\_\_\_\_ collection/analysis of claims tied to organized groups
- \_\_\_\_\_ collection/analysis of medical billing
- \_\_\_\_\_ link analysis studies
- \_\_\_\_\_ investigative time line studies on large/complex claims
- \_\_\_\_\_ actual field investigation of large/complex claims and organized groups
- \_\_\_\_\_ filing affirmative litigation
- \_\_\_\_\_ other (please specify)\_\_\_\_\_

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<sup>2</sup> Cycle time is the average number of days from when a referral is accepted for investigation to when the investigation is concluded.

10. Does the SIU include a dedicated data analysis unit? yes no

If yes, how many FTEs are assigned to the unit? \_\_\_\_\_

What services do they provide?

\_\_\_\_\_ collection/analysis of claim data

\_\_\_\_\_ collection/analysis of ISO claim data

\_\_\_\_\_ collection/analysis of UW data

\_\_\_\_\_ intake/triage of SIU referrals

\_\_\_\_\_ collection/analysis of news media

\_\_\_\_\_ collection/analysis of intelligence gathered from SIU staff, NICB Alerts etc

\_\_\_\_\_ other

11. Does the SIU include a dedicated public records unit? yes no

If yes, how many FTEs are assigned to the unit? \_\_\_\_\_

What services do they provide?

\_\_\_\_\_ search of public records databases

\_\_\_\_\_ on-line searches of federal, state & local court record sites

\_\_\_\_\_ on-line searches of federal/state sanction lists for medical providers

\_\_\_\_\_ on-line searches state licensing for attorneys, medical providers, etc

\_\_\_\_\_ news searches

\_\_\_\_\_ social media searches

\_\_\_\_\_ other

12. Does the SIU include a dedicated medical unit? yes no

13. Please list any other special or dedicated units that are included in your SIU:

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## Outsourcing and vendor management

1. What functions are performed by outside contractors that are under the authority and direction of the SIU? (check all that apply)?

- Case management
- Investigation
- Surveillance
- Compliance
- IT
- Training
- Legal
- Special services, such as cause & origin (please specify \_\_\_\_\_)
- Other \_\_\_\_\_

2. What approximate percentage of the functions are performed by outside contractors?

<u>Function</u>	<u>0%</u>	<u>1-20%</u>	<u>21-40%</u>	<u>41-60%</u>	<u>61-80%</u>	<u>81-100%</u>
Case management	---	---	---	---	---	---
Investigation	---	---	---	---	---	---
Surveillance	---	---	---	---	---	---
Compliance	---	---	---	---	---	---
Special services, such as cause & origin	---	---	---	---	---	---
IT	---	---	---	---	---	---
Training	---	---	---	---	---	---
Legal	---	---	---	---	---	---
Other _____	---	---	---	---	---	---

## Budget

1. What category best represents the total annual budget for SIU operations?

- less than \$2 million
- \$2 million to \$4 million
- \$4 million to \$6 million
- \$6 million to \$8 million
- \$8 million to \$10 million
- more than \$10 million

2. Are any of the following NOT included in the SIU budget?

- Salaries
- Benefits
- Allocation of office rent
- Vendor expenses
- Data acquisition, such as ISO Claim Search
- NICB dues
- Dues for the Coalition Against Insurance Fraud
- Anti-fraud assessments levied by state governments
- Anti-fraud training costs

3. If the SIU budget increased from 2012 to 2013, what areas of operation saw the greatest increase?

- Investigative staff
- Analytical staff
- Compliance
- Technology
- Legal
- Training
- Other \_\_\_\_\_

4. Are SIU personnel/salary costs allocated to other departments that use SIU services? yes no

5. Are fraud mitigation dollars tracked? yes no

If yes, please check all of the factors that are used in your mitigation measurement system:

- Highest reserve
- Total incurred (defined as paid plus expenses plus outstanding reserve)
- Amount paid
- Expenses paid
- Average paid by line of business
- Claim Reserves
- Claim value estimates
- Amount Paid
- Amount Denied
- Expenses Paid
- Other \_\_\_\_\_

5A. If fraud mitigation dollars are not tracked, why not? (check all that apply)

- Discovery or evidentiary concerns
- Liability or bad faith claim concerns
- Company brand or image
- Leadership doesn't require it
- Not needed for a business case
- Not required by regulation or law
- Other \_\_\_\_\_

**Quality Assurance (QA) and Performance measurement**

1. Do you employ a QA program in your SIU operations? \_\_yes \_\_no

If yes, what percentage of files are formally reviewed? \_\_\_\_\_

How often are they reviewed? (check all that apply)

- Annually
- Quarterly
- Monthly
- Other \_\_\_\_\_

2. What department implements the QA program?

- Claims
- SIU
- Audit
- Corporate
- Outside consultant
- Other \_\_\_\_\_

3. What factors are used to measure quality assurance?

- % referrals to fraud bureaus and NICB
- Timeliness of investigations
- Investigation methods
- Communication/report writing/documentation
- Regulatory compliance
- Other \_\_\_\_\_



**4. Which of the following factors are used to measure individual performance of investigators?**

- Number of referrals
- Number of assists
- Recovered premium
- Cycle time
- Referred rate by line
- Referred % claim reported
- % of claims investigations accepted after review
- Amount of restitution ordered or collected
- Criminal actions
- Civil actions
- Anti-fraud legislative activity
- Membership/leadership positions in anti-fraud organizations
- Quality and accuracy of investigations
- Closed investigations
- Productivity %
- Impact
- Customer service
- Other \_\_\_\_\_

**5. How often are objectives/goals measured?**

- Monthly
- Quarterly
- Annually
- Other \_\_\_\_\_

**Workflow**

**1. What responsibility does SIU have in claim settlement?**

- Total authority to investigate & settle claims
- Recommendation to claim department on settlement decision
- Presentation of investigative findings that may influence claims decisions
- None

**2. What responsibility does SIU have involving affirmative litigation management?**

- Total authority to investigate and pursue affirmative litigation
- Recommendation to claim or legal department on decisions to proceed with affirmative litigation
- Assembly and presentation of investigative findings that may influence decisions to pursue affirmative litigation
- Assistance of staff/panel counsel in preparation and litigation of affirmative actions
- None

**3. What responsibility does SIU have involving IT resource management for support of case management systems or projects?**

- Total authority for acquisition and management of IT resources
- Authority to place IT resources within the SIU function
- Authority to make direct requests for IT support
- Must request support through some form of prioritization committee
- None

**4. What percentage of SIU referrals are from:**

- claims reps
  - automatic fraud detection tools
  - underwriting
  - internal investigations<sup>3</sup>
  - other
- = 100%

**Legal issues**

1. Approximately, what percentage of work on SIU legal issues are performed by outside counsel as opposed of inside staff? \_\_\_\_\_%

2. Is outside or panel counsel used for conducting EUOs? yes no

3. Is inside or staff counsel used for conducting EUOs? yes no

4. Do SIU personnel attend EUOs? yes no

5. Do SIU personnel solely conduct EUOs? yes no

**Training**

1. What departments/personnel receive anti-fraud training from SIU?

- SIU investigators
- Claim department
- Underwriting
- Marketing
- Compliance
- Agency/Sales force
- Other \_\_\_\_\_

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<sup>3</sup> Investigations that are initiated by SIU and not referred to SIU by other departments or external entities.

2. What is the average number of hours per employee per year of anti-fraud training delivered by SIU to claims staff?

- None
- 1 to 5 hours
- 6 to 10 hours
- more than 10 hours

3. On average, how many hours of training per year do SIU investigators receive?

- None
- 1 to 5 hours
- 6 to 10 hours
- more than 10 hours

4. On average, how many hours of training per year do SIU investigators deliver?

- None
- 1 to 5 hours
- 6 to 10 hours
- more than 10 hours

## Metrics

1. What percentage of SIU referrals were accepted for investigation after review during 2012?

- less than 50%
- more than 50% to 60%
- more than 60% to 70%
- more than 70% to 80%
- more than 80% to 90%
- more than 90%

2. What is the percentage of SIU referrals accepted for investigation versus new claim receipts for 2012?

- less than 1%
- more than 1% to 2%
- more than 2% to 3%
- more than 3% to 4%
- more than 4% to 5%
- more than 5%

3. What is the percentage of SIU referrals accepted for investigation versus new claim receipts by line of business for 2012? (If your company does not write a line of business, please indicate by checking N/A.)

Line	<1%	1-<2%	2-<3%	3-<4%	4-<5%	>5%	N/A
Auto injury	---	---	---	---	---	---	
Auto theft	---	---	---	---	---	---	---
Auto fire	---	---	---	---	---	---	---
Auto rate evasion	---	---	---	---	---	---	---
Workers comp <sup>4</sup>	---	---	---	---	---	---	---
WC premium fraud	---	---	---	---	---	---	---
Commercial-liability	---	---	---	---	---	---	---
Commercial-property	---	---	---	---	---	---	---
Commercial-auto	---	---	---	---	---	---	---
Personal lines-property	---	---	---	---	---	---	---
Personal lines-injury	---	---	---	---	---	---	---
Personal lines-fire	---	---	---	---	---	---	---
Other _____	---	---	---	---	---	---	---

4. What percentage of SIU referrals accepted for investigation resulted in a report to NICB or a state fraud bureau in 2012?

Line	0-20%	21-40%	41-60%	61-80%	81-100%	N/A
Auto injury	---	---	---	---	---	---
Auto theft	---	---	---	---	---	---
Auto fire	---	---	---	---	---	---
Auto rate evasion	---	---	---	---	---	---
Workers comp <sup>5</sup>	---	---	---	---	---	---
WC premium fraud	---	---	---	---	---	---
Commercial-liability	---	---	---	---	---	---
Commercial-property	---	---	---	---	---	---
Commercial-auto	---	---	---	---	---	---
Personal lines-property	---	---	---	---	---	---
Personal lines-injury	---	---	---	---	---	---
Personal lines-fire	---	---	---	---	---	---
Other _____	---	---	---	---	---	---

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<sup>5</sup> Workers comp refers to any referrals involving workers compensation, such as suspected fraud by workers, but not referrals associated with premium or underwriting involving employers or insureds.

5. What percentage of SIU referrals accepted for investigation resulted in claims mitigation as a result of SIU investigation<sup>6</sup> in 2012?

<u>Line</u>	<u>0-20%</u>	<u>21-40%</u>	<u>41-60%</u>	<u>61-80%</u>	<u>81-100%</u>	<u>N/A</u>
Auto injury	---	---	---	---	---	---
Auto theft	---	---	---	---	---	---
Auto fire	---	---	---	---	---	---
Auto rate evasion	---	---	---	---	---	---
Workers comp <sup>7</sup>	---	---	---	---	---	---
WC premium fraud	---	---	---	---	---	---
Commercial-liability	---	---	---	---	---	---
Commercial-property	---	---	---	---	---	---
Commercial-auto	---	---	---	---	---	---
Personal lines-property	---	---	---	---	---	---
Personal lines-injury	---	---	---	---	---	---
Personal lines-fire	---	---	---	---	---	---
Other _____	---	---	---	---	---	---

6. What is the average number of accepted investigative referrals handled per month by your SIU? \_\_\_\_

7. What is the average number of accepted investigative referrals handled per month by each investigator?  
\_\_\_\_\_

8. What is the average number of days from claim date of notice to referral to SIU for:

- Personal Lines \_\_\_\_\_
- Commercial lines \_\_\_\_\_

9. What is the average cycle time<sup>8</sup> of cases handled by SIU during the past 12 months on personal lines cases:

- \_\_\_\_ 0-30 days
- \_\_\_\_ 31-60 days
- \_\_\_\_ 61-90 days
- \_\_\_\_ more than 90 days

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<sup>6</sup> Deemed to be fraud is defined as referred to NICB or state fraud bureau, claim withdrawn after investigation or mitigation of claim amount.

<sup>7</sup> Workers comp refers to any referrals involving workers compensation, such as suspected fraud by workers, but not referrals associated with premium or underwriting involving employers or insureds.

<sup>8</sup> Cycle time is calculated as the number of days from the date of referral to SIU until the investigation is concluded.

10. What is the average cycle time of cases handled by SIU during the past 12 months on commercial lines cases:

- \_\_\_ 0-30 days
- \_\_\_ 31-60 days
- \_\_\_ 61-90 days
- \_\_\_ more than 90 days

11. What is the average cost<sup>9</sup> per investigation? \_\_\_

- \_\_\_ less than \$200
- \_\_\_ \$201 to \$400
- \_\_\_ \$401 to \$600
- \_\_\_ \$601 to \$800
- \_\_\_ more than \$800

### **About your company**

1. What is company's direct written premium?

- \_\_\_ Less than \$250 million
- \_\_\_ \$250 million to \$999 million
- \_\_\_ \$1 billion to \$2.4 billion
- \_\_\_ \$2.5 billion to \$5 billion
- \_\_\_ Greater than \$5 million

2. How many states does your company write business in?

- \_\_\_ 48 to 50
- \_\_\_ 25 to 39
- \_\_\_ fewer than 5
- \_\_\_ 40 to 47
- \_\_\_ 5 to 24

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<sup>9</sup> Costs include SIU salaries, benefits (company cars, equipment). Not office space or other expenses.