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\(^1\) (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

\(^1\) 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\(^2\)
   ___ 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)_______________________________________

\(^2\) 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:

   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
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?

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<th>Function</th>
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<th>1-20%</th>
<th>21-40%</th>
<th>41-60%</th>
<th>61-80%</th>
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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
- 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 _______________________________

3 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.)

<table>
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<tr>
<th>Line</th>
<th>&lt;1%</th>
<th>1&lt;2%</th>
<th>2&lt;3%</th>
<th>3&lt;4%</th>
<th>4&lt;5%</th>
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4. What percentage of SIU referrals accepted for investigation resulted in a report to NICB or a state fraud bureau in 2012?

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<th>Line</th>
<th>0-20%</th>
<th>21-40%</th>
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5 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\(^6\) in 2012?

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<th>Line</th>
<th>0-20%</th>
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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\(^8\) 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

\(^6\) Deemed to be fraud is defined as referred to NICB or state fraud bureau, claim withdrawn after investigation or mitigation of claim amount.

\(^7\) 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.

\(^8\) 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\(^9\) 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

\(^9\) Costs include SIU salaries, benefits (company cars, equipment). Not office space or other expenses.