



**STATE OF ARIZONA**  
**DEPARTMENT OF INSURANCE**

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Governor

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**CHARLES R. COHEN**  
Acting Director of Insurance

**Circular Letter 1998-11**

**TO:** All Insurance Industry Representatives, Insurance  
Trade Associations and Interested Parties

**FROM:** Charles R. Cohen  
Acting Director of Insurance

**DATE:** October 6, 1998

**RE:** **Change to the Fraud Referral Form**

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This circular letter is to advise you of a change to the Fraud Referral form prescribed pursuant to A.R.S. § 20-466 (F), which provides:

An insurer that believes a fraudulent claim has been or is being made shall send to the director, on a form prescribed by the director, information relative to the claim including the identity of parties claiming loss or damage as a result of an accident, and any other information the fraud unit may require...

The revised form includes a space to provide your company's NAIC number. The Fraud Unit will use this information to track the extent to which specific insurers are making referrals to the Unit, as required by A.R.S. § 20-466 (F). At the conclusion of each fiscal year, the Unit will audit this data, will follow-up with companies that have not made referrals or have made what appears to be a disproportionately small number of referrals, and will offer assistance in correcting any fraud reporting deficiencies.

If your company is currently a member of the National Insurance Crime Bureau (NICB), you may continue to use their computer reporting system to direct referrals to the Fraud Unit. This system has a field already available for entry of the NAIC number. NICB computer system reporting is authorized by the Arizona Department of Insurance as a prescribed format to report your referrals.

Non-member companies are required to use the enclosed revised form. We can provide you with a supply of the forms by contacting the Fraud Unit office (voice: 602-912-8418, fax: 602-912-8419). Or you may contact the Fraud Unit through our electronic mail at USG8VAWV@IBMMAIL.COM; or as an alternative you may scan the form provided into your company computer system. Referrals can then be mailed or faxed to the Fraud Unit to be in compliance with state law.

Also enclosed is a sample of a written referral status notification form the Fraud Unit will begin using. It has been the Unit's practice to notify an insurer's designated contact person, usually by telephone, when the status of a referral changes. The Unit will now accomplish that notification through use of the form letter. We hope this improved communication concerning the status of fraud referrals will intensify the synergy between insurers and the Fraud Unit in detecting and prosecuting insurance fraud. We also encourage insurers to follow up on fraud referrals that did not result in successful prosecutions to determine how to improve the likelihood of success for future referrals.

The success of the Fraud Unit, and the fight against insurance fraud in Arizona, begins with the steady flow of sound referrals from insurers to the Fraud Unit. The Department is committed to achieving the Fraud Unit's destiny to lead the fight against insurance fraud in Arizona, and to ultimately see its efforts manifest in the rates charged for insurance in Arizona. We know you have the same aspirations for the Unit. Thank you for your assistance.

Please feel free to contact the Unit with your questions or concerns at 602-912-8418.