

State of Washington - Office of the Insurance Commissioner  
Instructions for Completing  
LIFE SETTLEMENT PROVIDER ANTI-FRAUD PLAN



**Note: Chapter 104, Laws of 2009, provides that life settlement provider antifraud plans submitted to the Office of the Insurance Commissioner are privileged and confidential.** The plan is not a public record, and is not subject to discovery or subpoena in a civil or criminal action.

**Directions:**

This antifraud plan must be submitted as part of the application for licensure as a life settlement provider. Any amendment to that plan must be promptly filed with this Office, as a material change.

On a separate cover sheet, identify the contact person and address all required plan elements completely. Failure to do so will result in a delay in the review and the issuance of the license.

**Primary Contact Person:** Required are the name, address, and telephone number for the person responsible for the implementation of this antifraud plan.

**Definitions:**

Our Office will be looking for references to both *internal* and *external* fraud. For the purposes of this plan, *external fraud* is defined as fraud which may be committed by the general public or insureds. *Internal fraud* is defined as fraud which may be committed by company employees or representatives.

**Required Plan Elements:**

(A) A description of the procedures for detecting and investigating possible fraudulent life settlement acts, both internal and external, and procedures for resolving material inconsistencies between medical records and insurance applications;

(B) A description of the procedures for reporting possible fraudulent life settlement acts to the commissioner and to appropriate law enforcement agencies.

The plan should include a narrative as to procedures developed for reporting suspected fraudulent activity to law enforcement agencies, prosecutors, etc. Expected would be specific guidelines on life settlement provider reporting procedures, specific measures taken to assist law enforcement officials during investigation, and routine assistance offered by the life settlement provider during legal proceedings. Companies may not simply state that these activities are performed.

Also include any internal directives or policies pertaining to possible civil actions against persons who have engaged in fraudulent activities, along with a narrative as to any procedures developed for seeking restitution or other damages through either house counsel, independent counsel, or under

criminal proceedings.

(C) A description of the plan for antifraud education and training of underwriters and other personnel.

The plan must include a section on training of company employees and life settlement brokers in the detection and prevention of fraud. This portion of the plan should address the life settlement provider's procedures to make all representatives aware of fraud and associated problems.

The life settlement provider must send an explanation on the type, frequency, and monitoring procedures for training being offered to all company employees and life settlement brokers. The life settlement provider may also outline use of outside resources, informational mailings, or other continuing education mechanisms. Companies may not include information pertaining to unrelated company training or simply state that fraud training is in place.

(D) A description or chart outlining the organizational arrangement of the antifraud personnel responsible for the investigation and reporting of possible fraudulent life settlement acts and investigating unresolved material inconsistencies between medical records and insurance applications. This description should include any use of independent contractors if applicable. Include applicable credentials, designations, training, or background for those individuals or contractors named.