

NEW YORK STATE  
INSURANCE DEPARTMENT  
*THIRD AMENDMENT TO REGULATION 95*  
*(11 NYCRR 86)*  
*REPORT OF SUSPECTED INSURANCE FRAUDS TO INSURANCE FRAUDS*  
*BUREAU; REQUIRED WARNING STATEMENTS*

I, GREGORY V. SERIO, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, 403(c), (d), and (e), 409 and 4322 of the Insurance Law, and Chapter 2 of the Laws of 1998, do hereby promulgate the following Third Amendment to Part 86 of Title 11 of the Official Compilation of Codes, Rules and Regulations (Regulation No. 95) to take effect upon publication in the State Register.

(NEW MATTER UNDERSCORED, MATTER IN BRACKETS DELETED)

Subdivision (a) of Section 86.4 is amended to read as follows:

§86.4 Warning statements.

(a) All applications provided to applicants for commercial insurance and all claim forms for insurance, except personal automobile insurance, delivered to any person residing or located in this state (on and after February 2, 1994) in connection with [commercial] insurance policies to be issued or issued for delivery in this State shall contain the following statement:

"Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."

Subdivision (a) of Section 86.6 is amended to read as follows:

(a) Every insurer writing private or commercial automobile insurance, workers' compensation insurance, or individual, group or blanket accident and health insurance policies issued or issued for delivery in this state, which writes 3,000 or more of such policies in any given year, [or in the case of policies issued on a group basis, provides insurance coverage for 3,000 or more individuals in any given year,] and every entity licensed pursuant to article forty-four of the public health law, except those entities with an enrolled population of less than 60,000 persons in the aggregate and except those entities certified pursuant to sections 4403-a, 4403-c, 4403-d, 4403-f, and 4408-a of the public health law, shall develop and file with the superintendent a plan for the detection, investigation and prevention of fraudulent insurance activities in this State and those fraudulent insurance activities affecting policies issued or issued for delivery in this State. Notwithstanding the foregoing, insurers writing only reinsurance contracts shall not be required to comply with the provisions of this section.

Subdivision (c) of Section 86.6 is amended to read as follows:

(c) Persons employed by Special Investigations Units as investigators or by an independent provider of investigative services under contract with an insurer shall be qualified by education and/or experience which shall include [a bachelor's degree in criminal justice or a related field, or a bachelor's degree and four years of insurance claims investigation experience, or five years of professional investigation experience with law enforcement agencies, or a bachelor's degree and seven years of professional investigation experience involving economic or insurance related matters. For the purposes of evaluation of medical related claims insurers may employ or retain duly licensed or authorized medical professionals.];

- (1) an associate's or bachelor's degree in criminal justice or a related field; or
- (2) five years of insurance claims investigation experience or professional investigation experience with law enforcement agencies; or
- (3) seven years of professional investigation experience involving economic or insurance related matters; or
- (4) an authorized medical professional to evaluate medical related claims.

Notwithstanding these minimum requirements, anyone employed as an investigator in a special investigation unit or by a provider of investigative services under contract to an insurer as of the effective date of this amendment and who was also so employed on or before September 10, 1996 may continue in such employment provided the insurer identifies such person in writing to the superintendent giving the date such employment began and a description of the person's qualifications, employment history and current job duties.

I, Gregory V. Serio, Superintendent of Insurance, do hereby certify that the foregoing is the Third Amendment to 11 NYCRR 86 (Regulation 95), promulgated by me on April 9, 2002 pursuant to the authority granted by Sections 201, 301, 403, 409, and 4322 of the Insurance Law and Chapter 2 of the Laws of 1998, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed amendment was published in the State Register on December 26, 2001. No other publication or prior notice is required by statute.

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**Gregory V. Serio**  
**Superintendent of Insurance**

April 9, 2002