

Effective October 2020 New Regulations To Enforce Statutes Requiring Insurers

As we enter October 2020, the insurance industry is preparing for a significant shift in regulations that will impact insurers across the board. These new regulations aim to enforce statutes that have long been in place but have often been ignored or loosely followed by insurance companies. With the goal of strengthening consumer protection and improving market transparency, the implementation of these regulations is expected to have a profound impact on insurers and policyholders alike.

The Need for Stronger Regulations

Over the years, several instances of misconduct and unethical practices have been reported in the insurance industry. These range from unfair denial of claims to deceptive marketing tactics. Such practices not only harm policyholders but also erode public trust in insurers. The need for tighter regulations has become evident, and October 2020 marks a pivotal moment in addressing these concerns.

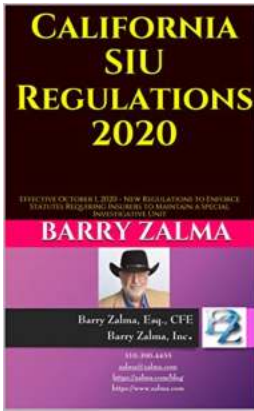
Key Changes

The new regulations that will be enforced starting October 2020 target various aspects of the insurance business. This includes:

California SIU Regulations 2020: Effective October 1, 2020 - New Regulations to Enforce Statutes Requiring Insurers to Maintain a Special Investigative Unit by Barry Zalma (Kindle Edition)

★★★★★ 5 out of 5

Language : English



File size	: 1588 KB
Text-to-Speech	: Enabled
Screen Reader	: Supported
Enhanced typesetting	: Enabled
Word Wise	: Enabled
Print length	: 317 pages
Lending	: Enabled



1. Claims processing

Insurers will be required to handle claims in a fair and timely manner. The regulations outline specific timeframes for claim settlement and require insurers to provide detailed explanations for claim denials. This aims to prevent unnecessary delays and promote transparency.

2. Sales practices

Insurance companies will be prohibited from employing deceptive or misleading sales techniques. Agents will be required to provide accurate information to potential policyholders and refrain from engaging in aggressive or coercive tactics.

3. Policyholder communication

Insurers will need to communicate policy terms and conditions clearly and in a language that is easily understandable to policyholders. This aims to prevent any ambiguity and ensure that customers are fully aware of their rights and obligations under their insurance policies.

4. Market conduct examinations

In addition to stricter regulations, more frequent market conduct examinations will be conducted to monitor insurers' compliance. These examinations will be aimed at identifying any patterns of misconduct and taking appropriate action to rectify them.

Impact on Insurers

The enforcement of these new regulations will undoubtedly have a significant impact on insurers' operations. Companies will need to review their existing processes, policies, and sales practices to ensure compliance. This may require significant investments in training, technology, and infrastructure to meet the new standards.

Furthermore, insurers will need to enhance their systems to handle claims more efficiently and provide better overall customer service. Adapting to the new regulations will be an ongoing process that will require constant evaluation and improvement.

Impact on Policyholders

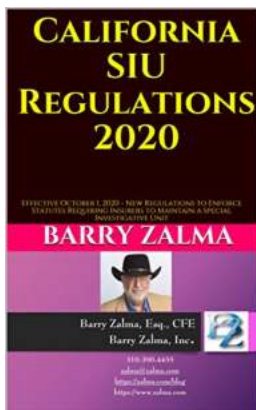
For policyholders, these new regulations bring much-needed transparency and protection. Clearer communication from insurers will help individuals make more informed decisions when selecting insurance products. Additionally, the stringent measures to ensure fair claims processing will offer policyholders peace of mind, reducing the risk of unreasonable denial of claims or lengthy delays.

Policyholders should also familiarize themselves with their rights and responsibilities as outlined in their policies. Understanding the new regulations and their implications will empower policyholders to be more confident in their interactions with insurance companies.

The Road Ahead

The implementation of these new regulations marks a pivotal moment for the insurance industry. While it will undoubtedly pose challenges for insurers, it also presents an opportunity for the industry to rebuild trust and improve its image. By adhering to stricter standards and prioritizing consumer protection, insurers can create a more sustainable and customer-centric industry.

October 2020 is a crucial milestone in this journey, and both insurers and policyholders must adapt to the changes and work together towards a more transparent and accountable insurance landscape.



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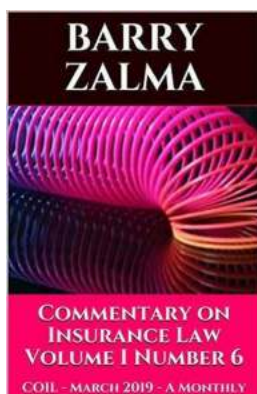


California SIU Regulations 2020 is designed to assist California insurance claims personnel, claims professionals, independent insurance adjusters, special fraud investigators, private investigators who work for the insurance industry, the management in the industry, the attorneys who serve the industry, and all integral anti-fraud personnel working with California admitted insurers who must comply

with the requirements of California SIU Claims Regulations that were rewritten and made operative October 1, 2020. The state of California, by statute, requires all admitted insurers to maintain a Special Investigative Unit (an "SIU") that complies with the requirements set forth in the Special Investigative Unit Regulations (the "SIU Regulations") and train all integral anti-fraud personnel to recognize indicators of insurance fraud. It is necessary, therefore, that insurance personnel who are engaged in any way in the presentation, processing, or negotiation of insurance claims in California to be familiar with the SIU Regulations. The state has imposed on all claims personnel duties to deal with insurance fraud if the insurers are doing business in the state. California licensed insurers are required by California Insurance Code Sections 1875.20-24 and California Code of Regulations, Title 10, Sections 2698.30 -.41 to establish and maintain Special Investigative Units that identify and refer suspected insurance fraud to the California Department of Insurance (CDI) and directly to the local California County District Attorney's Office for workers' compensation only. The regulations also require each insurer to submit an SIU Annual Report to CDI which provides important information regarding the insurer's SIU anti-fraud operations, procedures, and training material. The SIU Compliance Review Program evaluates the accuracy, completeness, and timeliness of the report. The reports are used to conduct a risk assessment to help determine which insurers are selected for SIU compliance review. Risk criteria includes, but is not limited to:

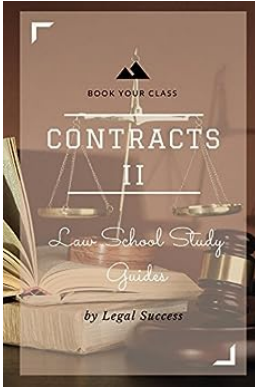
- Prior SIU compliance review finding(s), as well as follow up on recommendations and corrective action compliance plans;
- Discrepancies and/or non-compliance issues identified by analyzing the SIU Annual Report;
- Quantity and/or quality of suspected insurance fraud referrals to CDI, known as eFD-1s, FD-1s, or SFCs and referrals to California County District Attorneys' Offices for workers' compensation only;
- Lines of insurance that are relatively risky and susceptible to fraud;
- Nature and/or quantity of complaints received against a particular insurer;
- Market share of the insurer;
- Late or no response to written

information demand letters from CDI or other authorized governmental agencies (e.g., district attorneys); and•CDOI executive directive. By following the training recommendations in this book insurers can inoculate themselves against the potential for paying enormous fines to the CDOI. The Appendices include outlines to be used by a staff member of the insurance company SIU, its trainers, educators, or lawyers to present a training class for all of the “integral anti-fraud personnel” of the insurers as defined by the SIU Regulations. Insurers must understand that every claims employee must be trained in accordance with the requirements of the SIU Regulations no later than 30 days after the person is hired and annually thereafter. As it is not economically reasonable to train one new employee California SIU Regulations 2020 can provide the needed training without the additional expense of a training class for one or two persons. California SIU Regulations 2020, and its appendices, will provide the insurer and its staff with the information needed to comply with the SIU Regulations and will provide the training required for what the SIU Regulations describe as an insurer’s “integral anti-fraud personnel.”



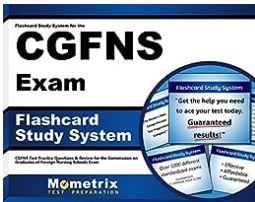
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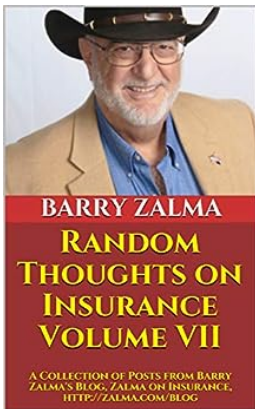
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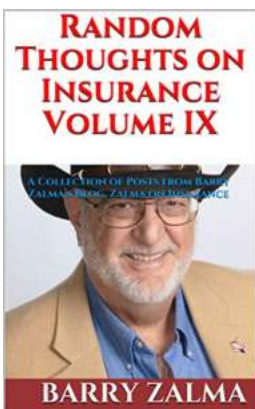
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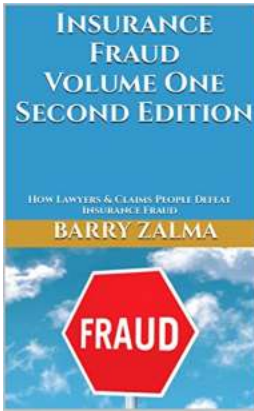
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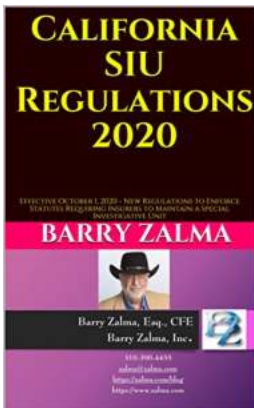
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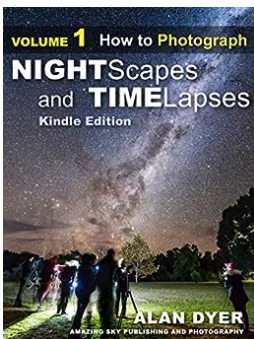
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