

304.47-080 Insurers to maintain investigative units.

- (1) Every insurer admitted to do business in the Commonwealth shall maintain effective procedures and resources to deter and investigate fraudulent insurance acts prohibited by this subtitle, including a unit that will investigate suspected fraudulent insurance acts. For the purpose of this section, "insurer" does not include reinsurers or reinsurance as defined in KRS 304.5-130.
- (2) Insurers may maintain the unit required by subsection (1) of this section, using its employees or by contracting with others for that purpose.
- (3) Insurers shall establish the unit required by this section no later than July 15, 1995.
- (4) The unit may include the assignment of fraud investigation to employees whose principal responsibilities are the investigation and disposition of claims. If an insurer creates a distinct unit, hires additional employees, or contracts with another entity to fulfill the requirements of this article, the additional cost incurred shall be included as an administrative expense.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 253, sec. 9, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 129, sec. 1, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 496, sec. 24, effective July 15, 1994.