

**INSURANCE FRAUD BUREAU OF MASSACHUSETTS**  
**St. 1990, c.338; St. 1991, c.398, §99; St. 1996, c.427, §13; and St. 2002, c.279, §5**

SECTION 13. Notwithstanding the provisions of any general or special law to the contrary, the Automobile Insurance Bureau of Massachusetts, or its successor licensed under the provisions of section eight of chapter one hundred and seventy-five A of the General Laws, and the Workers' Compensation Rating and Inspection Bureau of Massachusetts or its successor licensed under the provisions of section fifty-two C of chapter one hundred and fifty-two of the General Laws are hereby authorized to create an insurance fraud bureau with the powers and duties specified in this section for the prevention and investigation of fraudulent insurance transactions.

(a) Said insurance fraud bureau shall be governed by a board consisting of fifteen members, one of whom shall be the secretary of the executive office of public safety, one of whom shall be the director of labor and workforce development, one of whom shall be the registrar of motor vehicles, one of whom shall be the commissioner of insurance, and one of whom shall be the commissioner of the department of industrial accidents, and five of whom shall be members of the governing committee of the Automobile Insurers Bureau of Massachusetts, or its successor, and five of whom shall be members of the governing committee of the Workers' Compensation Rating and Inspection Bureau of Massachusetts or its successor.

(b) The governing board of said insurance fraud bureau shall employ an executive director and a general counsel. The executive director shall be responsible for the administrative operation of said insurance fraud bureau and shall perform such other tasks as said board may direct. The executive director shall ensure that appropriate resources of the insurance fraud bureau are dedicated to the investigation of fraudulent workers' compensation insurance transactions as well as other fraudulent insurance transactions. The general counsel shall be the chief legal officer of said insurance fraud bureau.

(c) The executive director shall appoint other employees of the insurance fraud bureau as necessary. The executive director may expend for legal, investigative, clerical and any other expenses in sums as are necessary. The executive director shall also disseminate the provisions of this act by publishing informational brochures and other materials which encourage the public to report workers' compensation fraud and shall maintain a toll free number to receive the reports. All costs of administration and operation of the insurance fraud bureau shall be paid as follows: one-half by the members of the Automobile Insurers Bureau, or its successor rating organization licensed under section 8 of chapter 175A of the General Laws and the companies authorized to write private or commercial automobile insurance that are not members of the licensed rating organization, apportioned on the basis of the direct written premium of each company in the most recent calendar year; and one-half by the members of the Workers' Compensation Rating and Inspection Bureau, or its successor organization licensed under section 52C of chapter 152 of the General Laws, and the companies authorized to write workers' compensation insurance that are not members of the licensed rating organization, apportioned on the basis of the direct written premium of each company in the most recent calendar year. The executive director shall determine the estimated costs for the operation of the insurance fraud bureau and upon approval by the bureau shall assess the licensed rating organizations and the other nonmember companies in accordance with this section. The estimated costs shall be paid to the executive director and he shall subsequently make adjustments to future assessments for any variation between estimated and actual costs on a fair and reasonable basis.

(d) The executive director shall designate such authorized personnel employed by said insurance fraud bureau to have access to the following information and records when the same are relevant to any said insurance fraud bureau investigation: records kept by the registry of motor vehicles; records kept by the department of industrial accidents; records kept by the department of revenue; records kept by the department of transitional assistance; records kept by the Workers' Compensation Rating and Inspection Bureau; records kept by the department of employment and training; records kept by insurance companies; and criminal offender record information which may be disseminated pursuant to clause (b) of section one hundred and seventy-two of chapter six of the General Laws; provided, however, that access to such information and records shall be solely for the use by such authorized personnel in the performance of their official duties and responsibilities within said insurance fraud bureau.

(e) Any insurer licensed pursuant to the provisions of chapter one hundred and seventy-five of the General Laws, and any person engaged in the business of insurance in the commonwealth exempted from compliance with the licensing requirements of said chapter one hundred and seventy-five, or other similar entity, having reason to believe that an insurance transaction may be fraudulent, or having knowledge that a fraudulent insurance transaction is about to take place, or has taken place, shall within thirty days after determination that the transaction may be fraudulent, sent to said insurance fraud bureau, on a form prescribed

by the executive director, the information requested by the form and such additional information relative to the transaction and the parties involved as the executive director may require. Fraudulent insurance transactions shall include, but shall not be limited to, fraud and abuse of the system by attorneys, insurers, employers, medical providers, vocational rehabilitation providers, agents for attorneys or other service providers, claimants, or any other individuals or companies alleged to have engaged in unlawful acts under the provisions of section fourteen of chapter one hundred and fifty-two, sections one hundred and eleven A or one hundred and eleven B of chapter two hundred and sixty-six of the General Laws or other laws of the commonwealth concerning insurance fraud.

(f) Said insurance fraud bureau shall review each such report and undertake such further investigation as it deems necessary and proper to determine the validity of the transaction. Upon receipt of such report pursuant to sub section (e), or other information which provides reason to believe that any person has violated any law of the commonwealth concerning insurance fraud, said insurance fraud bureau may conduct an investigation within or without the commonwealth. A person having material which is located outside the commonwealth and is requested by the executive director may make it available to the executive director or his representative to be examined at the place where it is located. The executive director may designate representatives, including officials of the state in which the material is located, to inspect the material on his behalf, and may respond to similar requests from officials of other states.

(g) The executive director, or his designee, may request the attendance and testimony of witnesses and the production of books and records relevant to an investigation. If a person neglects or refuses to comply with any request to provide testimony or produce books and records relevant to the investigation, the executive director may refer the matter to the attorney general, the appropriate district attorney, or the United States attorney.

(h) Whenever the executive director is satisfied that a material fraud, deceit, or intentional misrepresentation has been committed in an insurance transaction or purported insurance transaction, or that a violation of subsection three of section fourteen of chapter one hundred and fifty-two of the General Laws or sections one hundred and eleven A and one hundred and eleven B of chapter two hundred and sixty-six of the General Laws or other laws of the commonwealth concerning insurance fraud has occurred, the executive director shall refer the matter to the attorney general, the appropriate district attorney or the United States attorney. The executive director shall also report any suspected violation of law to appropriate licensing agencies of the state and federal governments.

(i) In the absence of malice or bad faith, no insurer, member of said insurance fraud bureau, member of said governing board, or an employee or agent of said insurance fraud bureau or other person subject to the provisions of this section, or an employee or agent of such insurer or person, shall be subject to civil liability for damages by reason of any statement, report or investigation made pursuant to the provisions of this section.

(j) Beginning on August first, nineteen hundred and ninety-two and every six months thereafter said insurance fraud bureau shall file a report with the clerk of the house of representatives who shall forward the same to the joint legislative committee on insurance and to the joint legislative committee on commerce and labor and with the attorney general which shall include appropriate information, unless otherwise prohibited by law, on the disposition of matters referred to said insurance fraud bureau. Beginning August first, nineteen hundred and ninety-two and every six months thereafter the attorney general shall file a report with the clerk of the house of representatives who shall forward the same to the joint legislative committee on insurance and the joint legislative committee on commerce and labor and with said insurance fraud bureau which shall include appropriate information, unless prohibited by law, on the disposition of matters referred to the attorney general by said insurance fraud bureau. Said insurance fraud bureau shall periodically report to insurers regarding the status of matters reported to said insurance fraud bureau by insurers, the outcome of all investigations and prosecutions conducted by said insurance fraud bureau, and patterns and practices of fraudulent insurance transactions identified in the course of performing its duties. Said insurance fraud bureau shall perform such research functions and data collection efforts as directed by the governing board to assist in the prevention, detection and prosecution of fraudulent insurance transactions.

(k) A person convicted for the violation of any law concerning insurance fraud, following the investigation and referral for prosecution by said insurance fraud bureau, shall be ordered to make restitution to the insurer for any financial loss sustained as a result of such violation.