



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code:  Section:

[Up^](#) [Add To My Favorites](#)

**INSURANCE CODE - INS**

**DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8]** ( *Division 1 enacted by Stats. 1935, Ch. 145.*  )

**PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8]** ( *Part 2 enacted by Stats. 1935, Ch. 145.*  )

**CHAPTER 12. The Insurance Frauds Prevention Act [1871 - 1879.8]** ( *Chapter 12 added by Stats. 1989, Ch. 1119, Sec. 3.*  )

**ARTICLE 5.5. Insurance Claims Analysis Bureaus [1875.10 - 1875.18]** ( *Article 5.5 added by Stats. 1991, Ch. 1222, Sec. 3.*  )

**1875.10.** The Legislature finds and declares as follows:

- (a) That the business of insurance involves many transactions which have potential for abuse and illegal activities.
- (b) That insurers and their policyholders ultimately pay the cost of fraudulent insurance claims.
- (c) That the operation of insurance claims analysis bureaus would be to the benefit of the public, regulators, law enforcement, prosecutors, and insurers in suppressing and preventing insurance claims fraud.
- (d) That the purpose of insurance claims analysis bureaus is to provide a data service to encourage the identification of utilization patterns by individuals or businesses who provide services in support of insurance claims, and by individual claimants themselves, in order to facilitate the identification and prevention of fraudulent activities.
- (e) That promotion of an effective public-private partnership between the insurance industry and the commissioner to share data on suspected fraudulent claims is necessary to avoid unnecessary duplication and expense in reporting that data.
- (f) It is the intent of the Legislature that, to promote a data-sharing partnership that is efficient and cost-effective, the commissioner and the bureau make every effort to obtain suspected fraudulent claims data from reporting and collection sources already in existence and supported by the insurance industry, by licensing those sources as claims analysis bureaus, as provided in this chapter.

(Amended by Stats. 1994, Ch. 1247, Sec. 4. Effective January 1, 1995.)

**1875.11.** (a) No insurance claims analysis bureau shall conduct any operations in this state without first filing a written application with the commissioner and obtaining a license to act in that capacity.

(b) As used in this section, an insurance claims analysis bureau is an organization, duly licensed pursuant to this article, which collects claims information and data from and disseminates claims information and data to its members or subscribers which is utilized for the purpose of the prevention and suppression of insurance fraud.

(Added by Stats. 1991, Ch. 1222, Sec. 3.)

**1875.12.** (a) The commissioner may license an organization as an insurance claims analysis bureau if it meets the following qualifications:

- (1) Is a nonprofit corporation organized for the purpose of fraud prevention or is a corporation that has made the filings required by Section 1855.2.
- (2) Has at least two years of experience, or has a managing officer with at least two years of experience, determined by the commissioner to be relevant to operation of an insurance claims analysis bureau, or has at least two years' experience collecting and compiling insurance statistical information.
- (3) Has a member or subscriber base of sufficient size that is, in the opinion of the commissioner, adequate to assure uniformity in data collection and cost efficiency to the insurer.
- (4) Maintains its records in a computerized format.

(b) An applicant seeking a license as an insurance claims analysis bureau shall file with the commissioner the following documents:

- (1) A copy of its articles of incorporation, its bylaws, and any rules and regulations governing the conduct of its business.
- (2) A list of members or subscribers.
- (3) A description of its technical capacity to collect and serve the volume of data necessary to act as an insurance claims analysis bureau.
- (4) A statement establishing that the applicant meets the conditions set forth in subdivision (a).
- (5) A certificate signed by an officer of the applicant that it will permit any licensed insurer to become a member or subscriber to the insurance claims analysis bureau.
- (6) A statement of all of the following:
  - (A) That it will provide admitted insurers subject to Article 6 (commencing with Section 1876) the ability to submit required information to the claims analysis bureau at no cost to the insurer, and also provide nonmember or nonsubscriber insurers, at no cost to the insurer, any software that is specifically designed for the purpose of submitting information electronically that the bureau requires its insurers to use.
  - (B) That information from its data base will be made available to state law enforcement agencies pursuant to existing law, and that it will be made available at no cost to those agencies.

(c) This section shall not be interpreted to provide any nonmember or nonsubscriber any rights of membership or subscription in an organization licensed as an insurance claims analysis bureau.

*(Amended by Stats. 1997, Ch. 501, Sec. 2.8. Effective January 1, 1998.)*

**1875.13.** The commissioner shall license an insurance claims analysis bureau by class of claims, if an insurance claims analysis bureau makes application and is appropriately qualified, for the following classes of claims:

- (a) Automobile bodily injury, which shall include liability, uninsured motorist, and medical payment.
- (b) Automobile physical damage.
- (c) Automobile theft.
- (d) Fire and allied lines property damage.
- (e) General liability bodily injury.
- (f) Disability.
- (g) Life.
- (h) Workers' compensation.

*(Added by Stats. 1991, Ch. 1222, Sec. 3.)*

**1875.14.** An insurance claims analysis bureau shall perform the following functions:

- (a) Collect and compile information and data from members or subscribers concerning insurance claims.
- (b) Disseminate information to members or subscribers relating to insurance claims for the purpose of preventing and suppressing insurance fraud.
- (c) Promote training and education to further insurer investigation, suppression, and prosecution of insurance fraud.
- (d) Provide, without fee or charge, to the commissioner, all California data and information contained in the records of the insurance claims analysis bureau in furtherance of the prevention and prosecution of insurance fraud.

*(Added by Stats. 1991, Ch. 1222, Sec. 3.)*

**1875.15.** (a) A licensed insurance claims analysis bureau shall develop rules governing the kind, quality, and frequency of data reporting, which shall be binding on all subscribers or members. The commissioner may require development of new claims categories for the suppression and prevention of fraud.

(b) Every member or subscriber shall report, at a minimum, the following regarding any category of claims:

- (1) Name of claimant.
- (2) Address of claimant.

- (3) Date of accident or incident.
- (4) Identification of medical provider, if applicable.
- (5) Identification of property repair vendor, if applicable.
- (6) Identification of members or subscribers and, if applicable, adjusters.
- (7) Identification of attorneys representing claimants, if applicable.
- (8) Description of claim.
- (9) Claimant's driver license or California Identification card number, if applicable.
- (10) Claimant's social security number, if known to the insurer.
- (11) Vehicle license numbers, if the claim involves automobile insurance.
- (12) Vehicle identification numbers, if known and the claim involves automobile insurance.

*(Amended by Stats. 1994, Ch. 1248, Sec. 2. Effective January 1, 1995.)*

**1875.16.** Unless otherwise provided by law, any authorized entity which receives any information furnished pursuant to this article shall not release that information to public inspection (1) until such time as its release is required in connection with a criminal or civil proceeding, or (2) is necessary to analyze and present information for release in an insurance claims analysis bureau's annual report. Any information acquired pursuant to this article shall not be part of any public record nor subject to disclosure under the California Public Records Act.

*(Added by Stats. 1991, Ch. 1222, Sec. 3.)*

**1875.17.** On or before May 1, 1992, and on or before May 1 of each year thereafter, any licensed insurance claims analysis bureau shall file with the department a report on the scope and extent of its activities in this state for the preceding year.

*(Added by Stats. 1991, Ch. 1222, Sec. 3.)*

**1875.18.** (a) Every bodily injury, medical payment, or uninsured motorist claim made under a policy of automobile insurance shall be available, upon request, to law enforcement agencies in this state, whenever that claim relates to an event that occurred within the state.

(b) Every claim subject to subdivision (a) shall be available without regard to any limitation in the Insurance Information and Privacy Protection Act (Article 6.6 (commencing with Section 791) of Chapter 1), or any other provision of law, whether or not the law enforcement agency has formed a reasonable belief that a violation of law may have occurred with regard to the claim.

(c) (1) A licensed insurance claims analysis bureau shall provide automobile claims information, upon request, to a law enforcement agency pursuant to the authority in subdivision (a).

(2) A licensed insurance claims analysis bureau, and any person employed therein, that provides information pursuant to this section shall have the same immunity provided under Section 791.21 as any person disclosing personal or privileged information under Article 6.6 (commencing with Section 791) of Chapter 1.

(d) (1) Claims information requested by law enforcement agencies, pursuant to the authority in this section, shall be used solely for the purpose of investigating and prosecuting automobile insurance fraud. Those requests shall be narrowly formulated in order to protect the privacy rights of citizens of this state, while obtaining the information necessary to conduct specific investigations.

(2) The commissioner shall establish rules governing the access to, and use of, any information requested or obtained pursuant to this section, and the circumstances under which that information may be inspected and corrected.

*(Added by Stats. 1997, Ch. 501, Sec. 3. Effective January 1, 1998.)*