



New General Insurance Code of Practice

A REFERENCE GUIDE TO HOW
CHANGES WILL IMPACT FRAUD
INVESTIGATIONS

- ✓ Make sense of the new legally binding investigation rules as they apply to investigators
- ✓ Learn how compliance can help you avoid heavy financial penalties
- ✓ Avoid breaches being escalated to AFCA and ASIC
- ✓ Use the changes as an opportunity to streamline your business
- ✓ Improve investigation information management with new technology
- ✓ Boost customer satisfaction and relationships, and increase referral marketing
- ✓ Quickly locate the 42 points in the new Code that affect insurance investigations with the included summary

How Australian insurance companies must adapt to meet the Insurance Council of Australia's 2020 Code of Practice changes

Executive summary

Australia's insurance industry is undergoing the biggest regulatory and compliance changes in its history. This report details how the changes directly impact insurance companies; outlines the penalties for non-compliance; and shows how you can not only meet the compliance requirements, but improve the business as a result.

- ! The Insurance Council of Australia (ICA) has released a new General Insurance Code of Practice and by July 1, 2021 all insurers are required to implement the changes, which are legally binding.
- ! From July 1, 2021, organisations can be fined for non-compliance and these fines can amount to hundreds of thousands of dollars. Larger breaches can result in significant financial impact, including compensation for loss or damage, and payment of a community benefit up to \$100,000 per offence.
- ! Minor breaches will attract minimal financial impact, and, with rectification steps within a certain time, companies can audit their own compliance with the Code at their own cost and advertise corrections.
- ! When deviating from an agreed investigation behaviour, an individual can raise a complaint against the insurer with the Australian Financial Complaints Authority (AFCA), and complaints will be given much more weight.
- ! Insurers also risk damage to their brand from negative media reports resulting from a failed or non-compliant investigation, where the claimant is often portrayed as the victim.
- ! Complaints are on the rise — by a huge 230 per cent. The General Insurance Code Governance Committee found Australia's insurance sector breached the code of practice 31,186 times during the 2019 financial year. *Source: AFR.com.*
- ! About one-third of finalised complaints were found in favour of consumers or small businesses. *Source: General Insurance in Australia, Annual Report, April 2020.*
- ! At least 50 of Australia's top insurers are expected to abide by the new Code Of Practice come July 1, 2021.
- ! The new Code of Practice includes very detailed changes and new requirements, down to the number of minutes an interview should take. **Most systems are not equipped to handle this level of detail.**

Polonious integrates all the new compliance measures into the core system. With one application, it is possible to meet compliance requirements and reduce investigation time and load.

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Introduction

Australia's general Insurance industry is on the cusp of the biggest set of regulatory and compliance changes in its history

The Insurance Council of Australia (ICA) has released a new General Insurance Code of Practice, and all insurers are required to implement the changes by July 1, 2021. The changes are legally binding and, from July 1, 2021, organisations can be fined for non-compliance. These fines can amount to hundreds of thousands of dollars.

In addition, there is the reputational risk insurers take onboard if they are found in breach of the guidelines or to be lacking a system that ensures compliance.

To avoid that, insurers will need to change their business to comply with the new regulations, which must be met in their entirety, as opposed to a piecemeal approach.

The new Code is a result of a two-year review by the ICA, which invited input and recommendations from various organisations.

Australia's insurance industry leaders must act now to bring their investigation teams, and the wider organisation, in line with the changes. Investigation teams will be pressured by the more detailed compliance requirements, but this does not mean there are no business imperatives.

This report, *New General Insurance Code of Practice: A reference guide to how changes will impact fraud investigations*, gives insurance industry leaders an overview of the required changes, and details of how the impending requirements can go a long way to benefiting the business.

New regulations should not mean a higher level of reporting burden. Now is the time to take advantage of better technology, methodologies and workflows to ensure your compliance and customer service obligations go hand-in-hand.

Turn today's investigation challenges into tomorrow's business process improvements with Polonious.

What changes for investigation teams?

1. STRICTER REQUIREMENTS IN RELATION TO ACTIONS BEING TAKEN BY THE INVESTIGATORS (E.G. 90-MINUTE TIME LIMITS FOR INVESTIGATION INTERVIEWS)
2. MORE MANDATED REGULATION WHICH WILL OVERRIDE ANY SELF-REGULATION, WITH PENALTIES FOR NON-COMPLIANCE
3. A PUSH FOR MORE TRANSPARENCY FOR CLAIMANTS

The Insurance Council's Code of Practice changes will have an immediate impact on investigation teams and how they conduct their work, including much more detailed measurements of the actions being taken.

An extensive summary of the Code of Practice can be downloaded from the Web site¹.

To cite a simple but profound example, there will now be a cap of 90 minutes on the length of an interview that an investigator can undertake. Previously, there was no time limit. Moreover there is a total limit of four (4) hours during the complete course of the investigation.

Changes such as these will apply a degree of pressure on insurers to get the information they need within that timeframe so they don't fall foul of the requirements. Having an unlimited amount of time previously meant that investigators did not need to worry about the pace of the interview. Now, if they go over that allotted time, they will need to explain why, and justify it.

Collecting all the necessary details to make a determination of a claim in 240 minutes of allowed interview time will be challenging in complex cases, so investigators will need to be better prepared in order to meet those strict requirements.

Should they need more time, the investigator will need to ask permission from insurers to extend the interview time and will need to record the agreement and the reasons behind it.

In another example, Part 15 of the new Code speaks to the claims investigation standards. In paragraph 73 it states, "If we appoint someone to investigate your claim, then within 5 business days, we will inform you of their appointment and what their role is".

These are just a few of many requirements specified for investigation teams in the new Code.

What triggered the changes?

The changes come after the Insurance Council of Australia identified a number of failings in the investigation industry which have resulted in claimants being treated in an unfair manner. And little has been done to address this, despite many opportunities to do so in recent years.

Previously, the industry was self-regulated, which didn't lead to the changes the industry needed. Neither did it bring any well-defined rules. It remains to be seen if existing investigation units will be capable of meeting the new requirements as insurers typically have thousands of investigations running at any given time.

The reforms are also designed to create more openness and transparency for the claimant, with clearly defined processes requiring strict compliance. Investigators not informing the claimant of the progress of their claim, or their obligations around the investigation, can lead to many people dropping out of a claim. If the process drags on indefinitely, many people just want it to end and will withdraw the claim.

The many changes to the Code of Practice will apply significant pressure on insurers' investigation units.

¹ http://codeofpractice.com.au/2020/10/ICA001_COP_Literature_Code_OnScreen_RGB_DPS_10.2_LR2.pdf

The main points of compliance

1. INVESTIGATION IS STILL CUSTOMER SERVICE, SO THE BETTER THE PROCESS THE HAPPIER THE CUSTOMER
2. SHORTER SETTLEMENT TIMES EQUAL LOWER ADMINISTRATIVE COSTS
3. THE VOLUME OF OPEN CASES CAN BE HALVED WITHOUT ANY REDUCTION IN THROUGHPUT OF CASES
4. INSURERS WILL HAVE FEWER OPEN CASES AND SPEND LESS MONEY ON ADMINISTRATION, SIMPLY BY BEING COMPLIANT

Regulatory and compliance requirements are often seen as a process and reporting burden by organisations already stretched by administrative overhead. However, contrary to this common belief, the new ICA Code will help insurance companies improve customer engagement. And there is already software available to help manage the new requirements in an automated way.

The benefits of meeting compliance

When it comes to dealing with customers, meeting compliance is good for business.

Insurance investigators need to remember that an investigation is also customer service. When dealing with a customer, including them in the process leads to a much more positive experience for them.

If customers are well informed, and have clear guidelines as to what is required, not only are they more likely to remain a customer, they will also be more likely to refer the insurer to their friends, family, and colleagues.

Moreover, a well-informed investigator can recommend a settlement sooner when evidence of a genuine claim is confirmed, rather than through the regular claims process. Building the ability to “green light” a genuine claim into the investigative process is critical.

The requirements of the new Code are an opportunity for insurers to improve their investigative processes. These improvements should be baked into their investigation methodology from the outset, with compliance monitored via the tracking of progress, timeframes and the investigation plan, ensuring that the claimant is included in regular communication.

“ The new Code of Practice changes are mandated and legally binding.”

With the new rules mostly relating to the claimant, they should be viewed from claimants' perspective in terms of benefits. This is not to say the changes don't also ultimately benefit the insurer — by making the claims process more transparent and less time consuming for the claimant, customer satisfaction and retention will increase.

The importance of compliance monitoring

Constant compliance monitoring is necessary to ensure that fairness and due process is followed, which impacts the relationship with the customer and how it is viewed.

For example, any evidence that is gathered under non-compliant circumstances loses its weight in court.

Another benefit of compliance monitoring is a reduction in turnaround times. Shorter investigation times lead to reduced cost of the investigation and increased customer satisfaction.

With a mature investigation methodology and system in place, turnaround time for genuine claims that undergo an investigation can be reduced by 50 per cent.

This, in combination with reduced administration, has the flow-on effect of reducing the total number of open cases also by 50 per cent. One Polonious customer had 1000 cases open at the time of go-live, and within 18 months had reduced that to 500 cases despite still investigating the same total number of cases per month.

By following well-defined processes, administration costs can also be reduced by some 30 per cent, which further reduces turnaround time. In one Polonious customer review, more than two hours of admin time was saved per case. This manifested itself in a reduction in the investigation work from 14 days to 12 days. In short, two hours less administration led to a two-day saving in turnaround time.

“One Polonious customer found that after only 18 months they went from 1000 open cases to 500, which is a solid, long-term ROI. This was achieved while maintaining the same total monthly throughput of cases.”

Calculating compliance ROI

Polonious has identified more than 40 key points of compliance required to be monitored during the course of an investigation to ensure ICA standards are being met by investigative teams.

In an effort to build consensus and an agreed best-practice approach, in late 2019 Polonious started a working group with a number of leading Australian insurers to discuss how a system could be used to track all of these points of compliance and make them part of the business process.

During the course of an investigation, all of the compliance points can be met as part of the process from beginning to end, with appropriate reminders.

Table 1: The main stages of the investigation workflow.

Initiation:	Investigation:	Completion:
Triage	Acceptance	Final Report
Internal Search	Notes	Review
External Search	Reallocation	Quality Assurance
Instructions	Formal Instructions	Reporting EOM EOQ EOY
Allocation	Case Notes	Close File
	Field Responses	Create Sub Linked Case
	Draft Report	

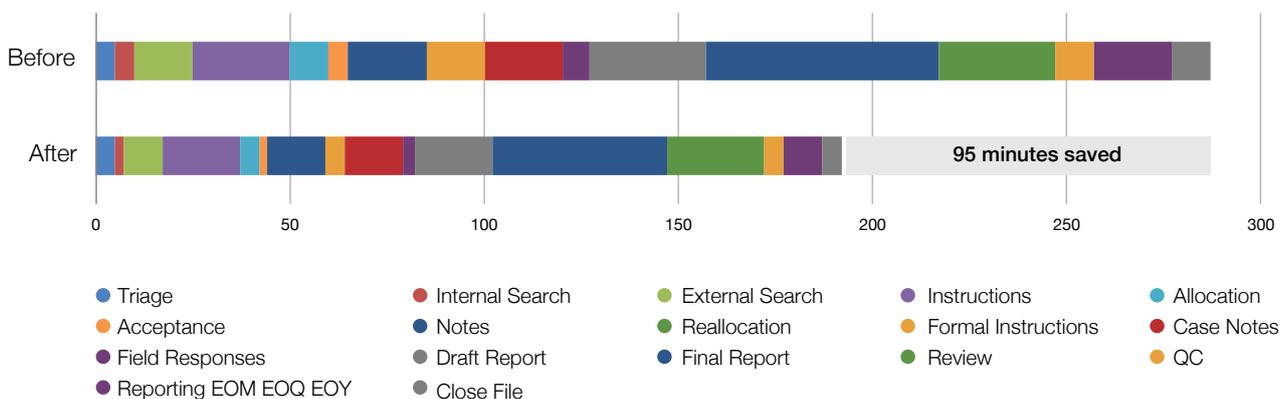
Polonious has analysed numerous client investigation processes to determine the efficiencies gained after implementing the SAME methodology.

On average, the ROI at 90 days after implementation was an approximate time saving of 33 per cent, with improvements at 15 out of the 18 stages of the investigation process.

Figure 1: How Polonious saves time during an investigation.

Mature use of Polonious

“ This translated to delivery to client two days faster than prior history.”



An introduction to the SAME methodology

1. HAVING A METHODOLOGY PROMOTES FAIRNESS AND IS KEY TO ENSURE DUE PROCESS IN AN INVESTIGATION
2. SAME METHODOLOGY IS A SIMPLE WAY TO BREAK DOWN A PROCESS INTO EXECUTABLE CHUNKS — AT ANY GIVEN POINT THE STATUS CAN BE SEEN AS COMPLIANT OR NON-COMPLIANT.
3. COMPREHENSIVE EVIDENCE IS KEY, NOT JUST OF THE CASE BUT ALSO OF THE PROCESS
4. A COMPLIANCE FRAMEWORK PROVIDES AN ANCHOR TO BUILD ANY INVESTIGATION AROUND

Investigation teams are often dealing with complex cases involving multiple stakeholders.

Common problems with investigation management occur when people don't know who is currently attending to which matter, and what should "happen next" to progress the investigation. In a well-defined investigation process, this scenario never occurs.

Why have a methodology?

Having a methodology is key to ensure procedural fairness and due process in an investigation.

Procedural fairness includes consistent engagement with clients in a fair manner, with clearly defined roles and an understanding of who is responsible for what, and when.

With a mature methodology for investigation management, all actions (including decisions, reasons for those decisions, and the evidence considered at the time) are recorded. When reviewing decisions in hindsight, it is easy to find fault in and criticise decisions, so the need for a comprehensive process, record and timeline is paramount.

The benefits of SAME for teams and the business

The SAME (Status, Action, Metrics, and Evidence) methodology is a proven way to break down a process into executable chunks. At any given point, the status can be seen as compliant or non-compliant and the actions are dynamic.

SAME brings together a number of processes, which are too often cobbled together rather than being unified to form a single framework.

For example, upon allocation the only actions may be to accept or decline a case. Once accepted, the status would progress and new actions would then become available.

The metrics provide details of actions — such as the commencement and finish of the interviewing process, how long interviews took, and so on. Metrics should be flexible enough to measure the performance of the investigator, with key compliance indicators and the expense of investigations easily identifiable.

Finally, any evidence an investigator collects is key to every investigation reaching a proper conclusion and resolution. Evidence such as photos, documents and interviews form the core of the Polonious system.

But evidence is also much more than that. It should also include evidence of the investigation process, the participants, all the decisions made, and actions taken.

Details on when an investigator was appointed and the rationale to investigate; who the investigation was allocated to; their competence and qualifications to undertake the investigation; compliance with licensing requirements; and insurance coverages also play a part in making sure the allocation is appropriate.

The point at which a claimant was informed that they are to be subject to an investigation should also be documented with the evidence. So it's not just about the evidence of what is collected, but evidence of adherence to the process, to ensure compliance.

Tips for building a compliance framework

In a good compliance framework, roles and responsibilities are determined and adhered to. It is important to ensure there is ample notification that the timeframe for an investigation will be met, or any potential issue flagged as early as possible.

“ In a good compliance framework roles and responsibilities are determined and adhered to.”

Map all the processes out to ensure that the actors understand what they need to do and when they need to do it, with appropriate reminders built in to provide notification as to when each action is required, completed or becoming non-compliant.

At each particular status point, the requirements that need to be implemented are turned into reminders and actions. For example, on accepting a claim into the investigation unit and deciding it will be investigated, the first point to add is a reminder within five days that the investigative team needs to notify the claimant that the case is subject to investigation.

During that acceptance process other requirements need to be met. For example, only those matters that need to be investigated will be investigated, and everything that occurs as a part of the investigation will be undertaken in an appropriate and respectful manner.

Figure 2: The SAME methodology for investigation teams.



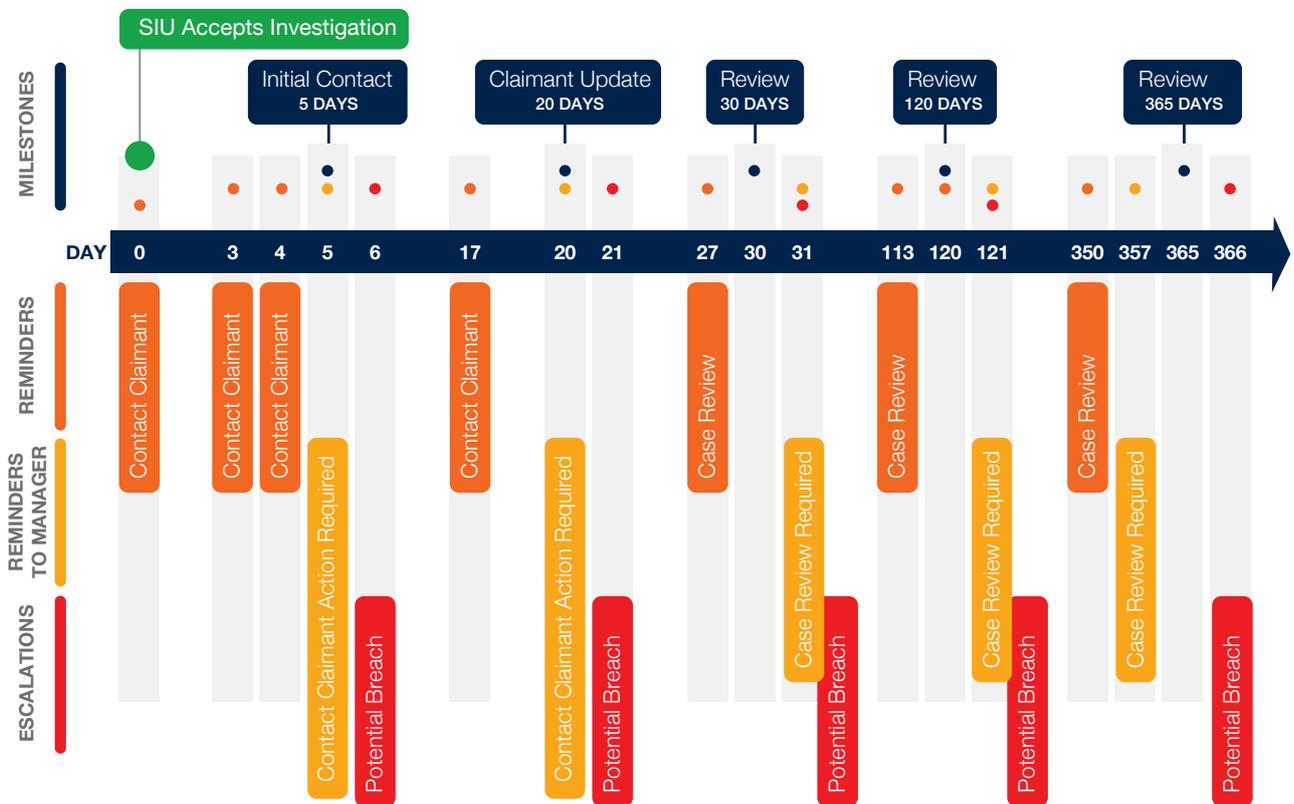
At this point, we are already starting to build out some of the compliance framework. We have a start date and a date that is going to be used as an anchor moving forward for all reminders that are connected with the start date of the investigation.

An example of this is the four-month review. If any investigation is going to take longer than four months – and it is independently reviewed outside the investigation team to ensure that there is sufficient

cause to continue the investigation – that review has to be completed within 30 days.

To meet that simple requirement, we need to count out four months, and then on top of that 30 days. At four months a process of review needs to start and within 30 days reviews must be finished and delivered. To ensure compliance, teams should build in reminders prior to that.

Figure 3: The many levels of milestone reminders during an investigation.



How better workflows raise investigation standards

1. INTEGRATED COMPLIANCE AND INVESTIGATION WORKFLOWS STREAMLINE PROCESSES AND ENSURE COMPLIANCE FROM THE START
2. CLEARLY DEFINED ROLES AND RESPONSIBILITIES ENSURE NOTHING IS MISSED OR DUPLICATED
3. CLIENT NOTIFICATION DEADLINES NEED TO BE MET AND BUILT INTO THE PROCESS

At present, meeting compliance requirements can be complex and impactful upon your investigation workflow. In most organisations there is one process for the investigation and another to check whether it was compliant. The goal is to integrate the two — if a well-defined process is followed, you will be compliant from the outset.

A better workflow is about controlling all of the compliance requirements. Removing the administration layer means you don't need to spend time looking at your efficiency. Workflows won't be duplicated, and in a multi-user environment you will always know who is doing what.

Improving your internal and client-facing workflows

Improving investigation workflow has a significant business imperative.

While compliance is an internal process, the customer will also see an outcome in terms of better service delivery. Customers will experience a more transparent process and know who they need to speak with.

By having defined roles and responsibilities, and matching those with the statuses of the cases, everyone knows which cases they should be actioning.

For example, Section .200 of the Code stipulates all requests should be reasonable and relevant, and investigation teams should endeavour to keep their request for documents and other information to a single request at the commencement of the investigation, or as soon as possible afterwards.

Many of these are standard requests and should be built into the investigation process as part of a standard investigation plan. However, as they are not always required it should be a simple review process to remove the requests that are not required and add the ones that are uniquely required for the investigation.

Other requirements include sharing the reason for the information being requested with the claimant and a clearly limited purpose and defined scope for the investigation. This can easily be enabled by sharing the requirements with the claimant and can be automated as part of the process.

Before the investigation starts, the claimant needs to be informed (both verbally and in writing) that the investigation is commencing. They need to be informed about the investigation process, who the primary contact is in the investigation team, the role and responsibility of the investigator, and when to expect to hear from the investigator. All of these requirements are built into our General Insurance Code of Practice (GICoP) workflow along with communication templates.

There also has to be a clear complaints process defined that is available to the claimant being investigated, which is also baked into the Polonious GICoP process.

This onus on the initiation of the investigation is considerable; however, this has been built into a workflow, with staff trained on how to follow the required steps and ensure that all of the information is shared appropriately and the communications are templated.

In Section .202 there is another timeline: within 10 business days after the investigator has received all relevant information, there will be a decision. Again, we need an anchor as to when the investigation has been completed. And there are several reminders and escalation to ensure this date is complied with and the claimant informed in a timely manner.

With a defined workflow there are no dropped balls because people know what they need to be doing, thus raising the overall standard of the investigation.

Working with claimants and interview information

1. NEW REGULATIONS FOR DEALING WITH CLAIMANTS ARE AIMED AT FOSTERING MORE OPENNESS, INCLUDING THE REASONS FOR THE INVESTIGATION
2. PREPARATION IS KEY FOR SHORTER INVESTIGATION INTERVIEWS
3. INTERVIEW DATA AND METRICS MUST BE LOGGED AND RETAINED
4. THE CLAIMANT MUST BE KEPT INFORMED AT THE REGULATED INTERVALS

A central tenet of the new regulatory changes relates to how insurance companies work with their customers.

The ICA Code changes introduce new regulations for dealing with claimants with a view to fostering more openness with the claimant, including the reasons for the investigation and what is expected of the claimant during the investigation.

This could include personal items such as receipts and telephone or banking records.

Such items are explicitly requested so there is no need to identify all the information upfront; however, having a system to assist investigators identifying the potential evidence collected means they are less likely to miss out making routine requests, and ensures investigation instructions are consistent across investigations.

Improving the claimant interview process

With the 90-minute limitation of interview time, investigators need to cover as much ground as possible and make sure they include the important factors. This will require a greater level of focus and preparation for each interview in terms of what needs to be addressed as part of the investigation.

For example, the claimant's driving history might not be relevant to the claim. With no time to waste, investigators can avoid asking questions pertaining to that in order to get to the crux of the matter and the information needed in the allotted time.

Section .205 covers the process for formal interviews. Prior to any formal interview, the investigation team needs to tell the claimant in writing the purpose of the interview; their rights and responsibilities; who will be conducting the interview; investigator and insurance company details; the right to legal representation; and how the interview will be recorded.

These points of compliance can be built into actions, automated communications, and automated documentation production within Polonious to ensure compliance with all of these requirements.

Keeping track of interview data and metrics

All data relating to the interview should be retained for recording keeping and later retrieval if necessary.

Metrics like the time, place, and circumstances of any interview, the start and stop time, who was present, and if they were underage, should be created and retained. As well as other interview data including interview recordings, transcriptions, details of interpreter services, and identifying and dealing with vulnerable people prior to, or during, the interview.

If there is a need for any authorities from the claimant, then the investigator must explain why those authorities are needed and how that information is relevant to the investigation of the claim.

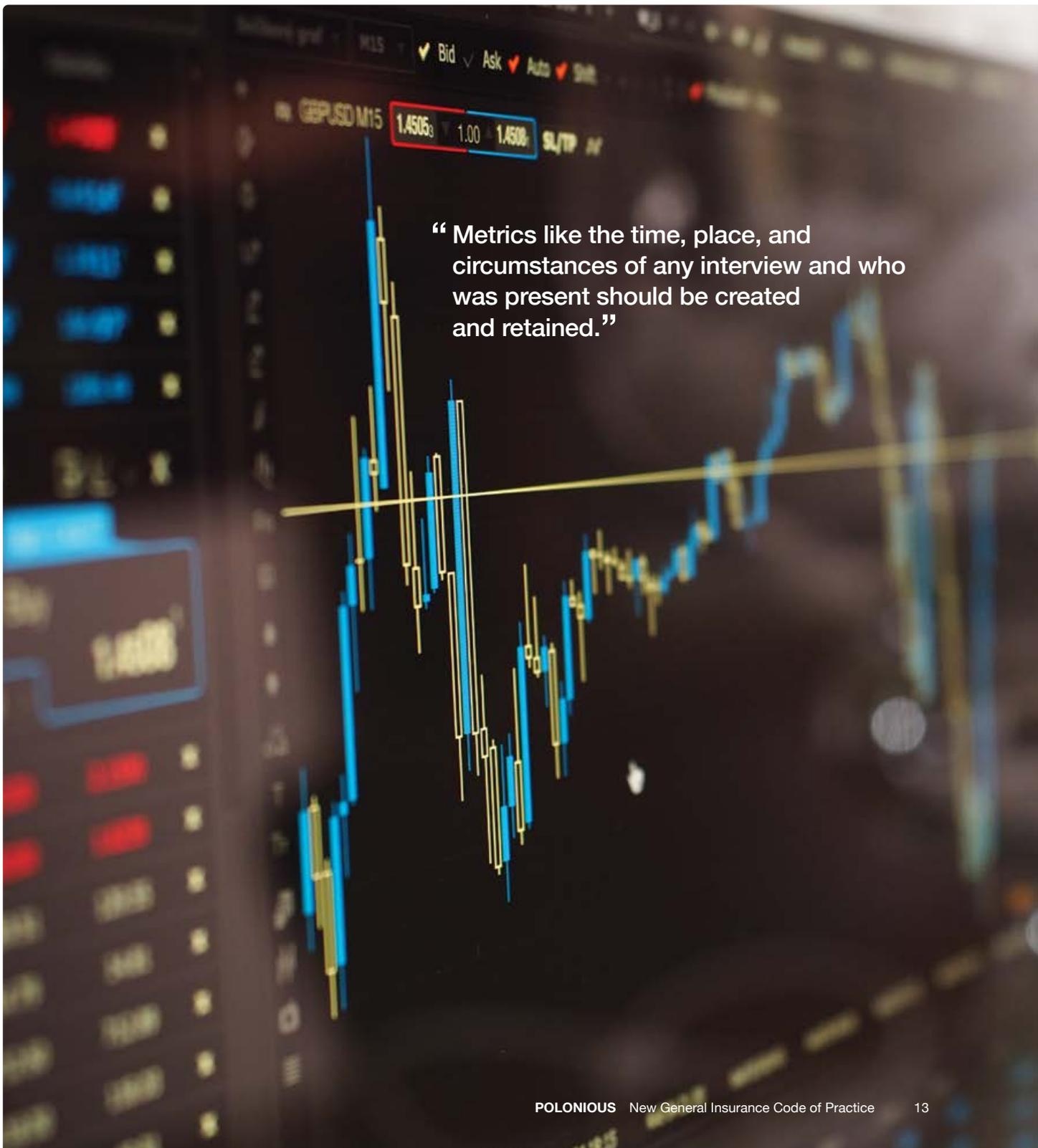
To keep track of metrics which are time-dependent, Polonious helps define the time periods and set reminders for:

- Section .204 where there is a requirement that every 20 business days claimants will be updated about the investigation process.
- Section .210 which deals with convenient locations for the interview to take place and allow the claimant to participate in the scheduling of the interview.
- Section .211 which stipulates what is to occur if the person is under 18.
- Any written approval requirements in relation to the scope and appropriate training.

Sections .212 through to .221 deal with the formal interview process, which are key things that Polonious can help you manage and track.

For example, in total, there should be no more than four hours of interviews conducted and you should have appropriate warnings when those totals are getting close.

All of this assists in tracking the investigation process and ensuring compliance and being able to report on compliance in the future.



“ Metrics like the time, place, and circumstances of any interview and who was present should be created and retained.”

Engaging an external investigator

1. CONSISTENT RULES MUST BE APPLIED TO EXTERNAL AND INTERNAL INVESTIGATORS
2. RECORD KEEPING IS CRITICAL TO MEET COMPLIANCE OBLIGATIONS
3. AUTOMATION OF CREDENTIALS MANAGEMENT PREVENTS CASES BEING ALLOCATED TO UNLICENSED INDIVIDUALS

Engaging an external investigator is commonplace in the insurance industry and the new Code of Practice includes changes on how to work with them.

Whether an investigation is fulfilled externally or internally, insurers need to ensure that the same complaint process is being followed by all investigators.

External investigators will typically have half a day's training where they will be told what to do and receive an explanation of what the metrics mean.

Tracking of the skills and qualifications of each investigator that is attached to an investigation and their insurance coverage also needs to be managed.

Section .224 touches upon the requirements surrounding external investigators only and includes a requirement that the insurer gives the external investigator written instructions about each investigation.

This is followed by Section .226 which confirms a requirement by investigators to record the requests they make to the people being investigated, as well as all written authorisations, and to provide those records to the insurer.

All of these requirements are built into the Polonious GICoP workflow and recorded in real time. They can also be based on templates for circumstances that often repeat, enabling compliance.

Keeping track of investigator skills

When appointing an external investigator, if the investigator is required to interview a person that may be vulnerable, they must have received appropriate training in relation to interviewing vulnerable customers prior to doing so.

The skill sets of individual investigators can be recorded inside Polonious, so that when you're allocating an investigator to a case where there may be a vulnerable individual that needs to be interviewed, we can ensure that you choose appropriately trained investigators for those tasks.

It is also a requirement to have an up-to-date register of each investigator's licence, including their expiry dates, to ensure that any investigator is currently licensed. Again, this is a capability that is built into Polonious, and can be tracked.

Investigators can be automatically reminded when their licences are about to expire. They then simply log in, update their licence details and copies of their licence documentation, which can then be verified. This is also cross checked at the time of task allocation, so that if they are unlicensed, they can't and won't be allocated those tasks.

“ Tracking of the skills and qualifications of each investigator that is attached to an investigation and their insurance coverage also needs to be managed.”

Case data: Keeping investigation records

1. THE NEW REGULATIONS REINFORCE AND FORMALISE DATA RETENTION REQUIREMENTS
2. A CASE MANAGEMENT SYSTEM KEEPS RECORDS OF ALL DECISIONS AND WHY THEY ARE MADE
3. A COMPLETE AUDIT TRAIL AT YOUR FINGERTIPS AND EVIDENCE IS THERE IF AND WHEN YOU NEED IT

Retaining investigation records has always been important, but the new regulations reinforce and formalise this requirement.

It is core to an investigation to make notes of activities and interviews in as close to real time as possible. With contemporaneous record keeping the sooner something is noted the more believable it is in the event of a dispute.

Records are now required to be retained for seven years, which is easy with a case management system that keeps track of all decisions during cases, and why they are made. The records can then be destroyed, archived or retained.

“ There is an assumption that investigators know more about the case when they actually don't. A case management system helps you record all decisions.”

Polonious allows investigators to store notes digitally and the location, time and date of the action is saved, along with a secure “hash”, or fingerprint, of any digital asset that is uploaded.

There is an assumption that investigators know more about the case when they actually don't. A case management system helps you record any decisions, including why the questions were originally asked.

Claimants generally don't like delays, but if there are circumstances causing the delay (including if caused by the claimant), that should become part of the record.

The benefits of good record keeping

The immediate, and most important, benefit is you have a full history and complete audit trail of everything in relation to the case.

Every action and document can be used to build a brief of evidence, which can be supplied to authorities as required.

Under Section .229 it is now a requirement to make, or retain, contemporaneous records in compiling all investigative activities. This is precisely where a shared, centralised case management system comes to the fore.

All face-to-face; telephone and written communications; travel details; interviews or statements; recorded interviews; videos and photos; and all electronic checks can be included and easily accessed in the Polonious case management solution.

This allows a real-time picture to be formed as to the progress of the investigation and ensures compliance within all the actions that are being undertaken.

Decisions can then be made in a real-time environment as to whether the investigation should continue, or if exculpatory evidence has been uncovered that indicates the claim should be paid and all of the inquiry points of the investigation have been satisfied the claim should be given the 'green light' and settled.

Evolving surveillance requirements

1. THE SURVEILLANCE PROCESS MUST FOLLOW A RIGOROUS METHODOLOGY AND CAN BE AUDITED
2. INVESTIGATORS HAVE ACCESS TO NEW TECHNOLOGIES TO ASSIST WITH SURVEILLANCE ACTIVITIES
3. ALL REQUIREMENTS CAN BE BUILT INTO QUALITY ASSURANCE CHECKS AND CAN BE CONFIRMED ON ACCEPTANCE OF THE SURVEILLANCE ASSIGNMENT

Surveillance is a key tool in any investigator's repertoire and the new Code of Practice includes changes to how it is conducted.

The new requirements include the need to clearly state reasons for surveillance and provide confirmation of the claimant's behaviour. And having access to integrated, open source intelligence research can assist in forming a picture of the claimant and the decision to conduct surveillance.

The surveillance process must follow a rigorous methodology: Any photo or video can be uploaded to a case management system, ensuring the best evidence is available to the insurer at any given time. A decision can then be made as to whether surveillance should continue or be called off.

“ The surveillance process must follow a rigorous methodology, including decisions as to whether surveillance should continue or be called off.”

Such evidence can be shared with medical or legal advisors to help determine if a claimant's behaviour is consistent with the claim.

Investigators have access to new technologies to assist with surveillance activities and the Polonious mobile app allows operators in the field to take video, photos and make audio notes, with the geolocation details also recorded on the device.

Meeting compliance with surveillance technologies

New technologies can be used to improve surveillance quality while helping to meet compliance.

As a start, Section .232 discusses the requirements prior to initiating surveillance, including making sure that all alternate methods of verifying the relevant information would not work. For example, social media activity is intelligence that is generally undertaken prior to surveillance.

It must be reasonably believed that the claim appears to be inconsistent with the information available. Then a suitably experienced investigator will be appointed.

All of those points and all of those requirements can be recorded as part of the process inside Polonious to ensure that the reasons and the justification for surveillance were complete and relevant at the time, based upon the information at hand.

Section .233 goes on to reinforce that surveillance will not be conducted inside a court or judicial facility, medical or “reluctant facility”, including bathrooms, change rooms, inside a house, business premises, or where prohibited by a relevant law.

All of those requirements can be built into quality assurance checks at the end of the surveillance and can be confirmed on acceptance of the surveillance assignment by the surveillance operative.

Conclusion

The Insurance Council of Australia's 2021 Code of Practice changes will have profound effects for the entire industry.

Australian insurance companies must adapt to meet the new regulations or face possible penalties.

This report identifies how insurance companies can take advantage of new technologies so that they can meet the new requirements, and improve their business in the process.

Recommendations from Polonious include:

- **Prepare for detail** The Code of Practice changes include more detailed measurement of the actions being taken by investigators so more measurement will be needed.
- **Embrace a methodology** Having a methodology promotes fairness and is key to ensure due process in an investigation. Teams will work together better and the case load and administrative burden will reduce with an organisation-wide methodology.
- **Integrate compliance and workflow** To avoid a game of catchup, the new regulations call for streamlined processes which are compliant from the start. This can be achieved by integrating compliance measures into the investigation workflow.
- **Include all investigators** Whether an investigation is fulfilled externally or internally, insurers need to ensure that the same complaint process is being followed by all investigators, and that all processes are followed by internal and external investigators alike.
- **Keep and retain detailed records** Retaining investigation records has always been important, but the new regulations reinforce and formalise this requirement. Records are now required to be retained for seven years.
- **Ensure surveillance is compliant** The surveillance process must now follow a rigorous methodology and can be audited.

Insurance companies can benefit with these changes. Regulatory requirements are often seen as a reporting burden; however, the new ICA Code will help insurance companies improve customer engagements and hence referrals.

Improve your investigation process and compliance, and fast track your organisation's ROI with Polonious.

About Polonious

Polonious was founded in 2005 as a Case Management Solution based on the knowledge and experience of both founders. Polonious was originally conceived based on private investigations, but was designed to be future-proof, adapting to changing IT capabilities and market opportunities with little structural change to the code.

Polonious has since expanded into four main markets: insurance investigation, banking, private investigations, and education. Polonious has also adapted to other use cases such as IP infringement investigations and charities.



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Glossary: How to automate the new Code of Practice requirements

Code requirement	How Polonious helps
<p>Customer: Claim Acceptance Investigation</p> <p><i>Sections .193 to .204 of General Investigation Obligations</i></p>	<p>Polonious records the criteria and reasons for the investigation and what is required. Record all interactions and provide guidance so everything is performed in an appropriate and respectful manner.</p>
<p>Compliance: Framework</p> <p><i>Section .194</i></p>	<p>Polonious has defined a process that allows all telephone calls, interviews, running sheets (Actions) to be objectively reviewed. The automated allocation and filtering ensures appropriate skills exist to complete the investigation and all appropriate licensing and insurance coverage is in place and current. Defined as “compliance roles” they have access to appropriate case data for regular reviews.</p>
<p>Compliance: Framework</p> <p><i>Section .195: Annual review</i></p>	<p>The defined process ensures all investigation-collected information is available for audit. Users are trained to record all interactions, actions, emails and documents appropriately. Polonious has a “Complaints” process that includes disputes referred to the Australian Financial Complaints Authority.</p>
<p>Customer: 4-Monthly review</p> <p><i>Section .196: Four-month review by external department (Sections .196 to .199)</i></p>	<p>Polonious triggers reminders to responsible and accountable roles to inform them the review is imminent prior to non-compliance. There is also pre-defined communication with the claimant informing them of the review. The status is also escalated prior to non-compliance.</p>
<p>Customer: 4-Monthly review</p> <p><i>Section .197: Four-month review response to investigation</i></p>	<p>There is a defined “Action” that records details of the review. This information is then used to create an automated review report.</p>
<p>Customer: 4-Monthly review</p> <p><i>Section .198: Four-mnth review timeframe</i></p>	<p>Polonious triggers reminders to the responsible and accountable roles prior to the 30-day limit to complete the review. The status is also escalated prior to non-compliance.</p>
<p>Customer: 4-monthly review</p> <p><i>Section .199: Four-month review outcome to Customer</i></p>	<p>There is scripted communication available to inform the claimant of the outcome of the review and "Actions" for recording and sharing this with the claimant verbally and in writing.</p>
<p>Customer: Any requests for information</p> <p><i>Section .200: Investigations are appropriately focused</i></p>	<p>Polonious will record the reasons for the investigation, the scope of the investigation and what is required of the investigator and claimant and store all relevant investigation plans and action items.</p>
<p>Customer: Commencement of investigation</p> <p><i>Section .201</i></p>	<p>Polonious will prompt the responsible parties to communicate the decision to investigate and record commencement as part of the investigation timeline.</p>

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<p>Customer: Communication. Prior to commencement of investigation</p> <p><i>Section .202</i></p>	<p>Polonious can take the elements of the investigation plan along with other key information and share that with the claimant via templated communications that clearly identify what is required of them and why, along with their rights and methods of communications with the insurer.</p> <p>These communications are all recorded and form part of the timeline. These include details of the investigation process; who the primary contact is; the role and responsibilities of the insurer’s staff and any external investigators; when to expect future communications; within 10 days of receiving all information a decision will be made; the claimants rights and responsibilities under the policy; and the complaint process.</p>
<p>Customer: Communication. Informing authority to access information.</p> <p><i>Section .203: Third-party information</i></p>	<p>Any requests for authority to access third party information are recorded along with reasons for those requests and supporting documents authorising access to that information.</p>
<p>Customer: Communication. Time frame requirements</p> <p><i>Section .204: 20-day contact</i></p>	<p>Polonious records all contacts with the claimant such as emails, phone calls and interviews or other in person contacts and monitors these to ensure that there has been a confirmed contact within 20 days.</p> <p>Reminders are sent out prior to this timeframe and the matter is escalated in the final days to ensure compliance is met. The matter is escalated to be non-compliant if this timeframe is exceeded and appropriate notifications are sent.</p>
<p>Customer: Communication. Prior to formal interview</p> <p><i>Section .205</i></p>	<p>Polonious has predefined actions and templates so that if an interview with the claimant is required Polonious has preformatted templates to communicate the purpose of the interview; the claimant's rights and responsibilities; their right to have an interpreter free of charge; who will conduct the interview and contact details; how long the interview is expected to take; their right to legal representation or a support person; and how the interview is going to be recorded.</p>
<p>Customer: Communication. Legal, other representation</p> <p><i>Section .206</i></p>	<p>Polonious has configured a “Primary Contact” role to ensure that if the claimant has a legal representative, that person is the preferred contact point for all parties involved in the investigation.</p>
<p>Customer: Interpreter</p> <p><i>Section .207</i></p>	<p>Polonious includes in the initial notification to the claimant (and in several languages) their right to an interpreter.</p> <p>If you desire, there is a button within the notification where the claimant can opt-in to have someone present and, if so, additional fields become available to record language and other details. This automatically updates the case in Polonious and notifies the responsible parties.</p>

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<p>Customer: Vulnerable person & additional support</p> <p><i>Section .208</i></p>	<p>Support for vulnerable persons is included in the initial notification and on all actions involving contact with participants we have enabled options to record any observations made by investigators that may lead them to believe additional support may be required. This automatically notifies the responsible parties.</p>
<p>Customer: Same gender investigator</p> <p><i>Section .209</i></p>	<p>Polonious can filter allocation to roles, such as investigators, by many parameters of a case, including gender.</p>
<p>Customer: Interview location</p> <p><i>Section .210</i></p>	<p>During the initial contact, details of the interview location can be recorded during a contact call, or within the notification, including all the options.</p>
<p>Customer: Vulnerable person under the age of 18</p> <p><i>Section .211</i></p>	<p>We have included the ability to prepare an investigation plan and specific actions, such as interview preparation, where investigators can clearly scope the interview and ensure that there is a parent, guardian or responsible adult present during the interview process.</p>
<p>Customer: Interview consent</p> <p><i>Section .212</i></p>	<p>Confirmation for consent to interview is recorded and any documentation or recording can be uploaded to address any future audit requirements.</p>
<p>Customer: Fairness, openness, transparency and honesty</p> <p><i>Section .213</i></p>	<p>Although this is an issue of training, Polonious ensures that all actions and communications are clearly recorded for future reference. The process in Polonious encourages best practice from initiation to close.</p>
<p>Customer: Interview time up to 90 minutes</p> <p><i>Section .214</i></p>	<p>Polonious records details of all interviews including start and finish times and elapsed time, and also records any breaks taken and the lengths of those breaks to ensure compliance with the 90-minute standard.</p> <p>Polonious also provides for any extension by mutual consent to be recorded.</p>
<p>Customer: 24-hour break between interviews</p> <p><i>Section .215</i></p>	<p>Polonious will track all interviews conducted, and records the start time which is surfaced making investigators aware that a prior interview was conducted.</p>
<p>Customer: Interview time is to not exceed 4 hours</p> <p><i>Section .216</i></p>	<p>Polonious records all interviews conducted with individuals and adds up the time across those interviews to ensure the investigator is aware of the total elapsed interview time to date and how much time is remaining.</p> <p>This is available in the case view and also in dashboards.</p>

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<p>Customer: Interpreter identified at interview</p> <p><i>Section .217</i></p>	<p>Polonious prompts the investigator as to the presence of an interpreter and, if so, then requests details of the interpreter which are stored against the interview action. If the need for an interpreter is identified at interview, the suspension or delay of the interview can be recorded.</p>
<p>Customer: Support person at interview</p> <p><i>Section .218</i></p>	<p>Polonious prompts the investigator as to the presence of a support person and, if so, then requests details of the support person which are stored against the interview action. If the need for a support person is identified at interview the suspension or delay of the interview can be recorded.</p>
<p>Customer: Interview breaks</p> <p><i>Section .219</i></p>	<p>The number of breaks and length of the breaks taken during an interview are recorded in the interview action.</p>
<p>Customer: Interview breaks requested by the customer to stop or suspend</p> <p><i>Section .220</i></p>	<p>If additional breaks, or the rescheduling of the interview are required, that is also recorded in the interview action.</p>
<p>Customer: Interview breaks — adopted to interview as evidence</p> <p><i>Section .221</i></p>	<p>The interview action also records all offers of breaks and the interviewee's responses.</p>
<p>Customer: Transcript of interview offer</p> <p><i>Section .222</i></p>	<p>Polonious records the offer to provide a transcript of the interview to the claimant and, if required, can automate the allocation to a transcription vendor and the subsequent upload of that transcription back to Polonious.</p>
<p>Customer: Transcript provision prior to second or subsequent interview</p> <p><i>Section .223</i></p>	<p>As part of the interview planning action Polonious reminds the investigator of this obligation and makes any completed transcript available for selection so it can be shared with the claimant. This is done via a fully secured and encrypted link that can also confirm receipt and download by the intended recipient.</p>
<p>Customer: Vulnerable persons and conduct by our investigators</p> <p><i>Section .224</i></p>	<p>This is a matter of training. Polonious can record all training completed by investigators and, if required, the expiry of that certification to ensure timely reminders of any renewed training requirements. Non-completion or currency will exclude the investigator from potential allocation to a case.</p>
<p>Process: Investigation instructions</p> <p><i>Section .225</i></p>	<p>Polonious records all investigation instructions, approval of those instructions and completion of those instructions as the case progresses. These can be inherited from the case type, added on initial intake, or added ad hoc during the case. They are initially in a "Draft" status requiring approval by a responsible person prior to being available for completion by an investigator.</p>

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<p>Process: Investigator to record requests for written information</p> <p><i>Section .226</i></p>	<p>Polonious can record all requests for information from participants and authorities obtained to access information from third parties. In addition, the supply of that information, and any associated records, are also recorded and uploaded.</p>
<p>Compliance: Investigator training vulnerable persons</p> <p><i>Section .227</i></p>	<p>This is a matter of training. Polonious can record all training completed by investigators and, if required, the expiry of that certification to ensure timely reminders of any renewed training requirements. Non-completion or currency will exclude the investigator from potential allocation to a case.</p>
<p>Compliance: Register of approved investigation operatives</p> <p><i>Section .228</i></p>	<p>Polonious tracks all approved investigators for their licence and insurance statuses, and any required training or skills.</p>
<p>Compliance: Investigation run sheet</p> <p><i>Section .229</i></p>	<p>All actions taken by all participants form a comprehensive run sheet, from initiation through to case close. This includes, but is not limited to, details of:</p> <ul style="list-style-type: none"> a. conversations held in person; b. telephone conversations; c. unanswered telephone calls — including any messages left; d. all written communications sent — letters, faxes, emails etc.; e. their travel; f. interviews and statements obtained; g. any electronic checks — including government and social media sites, for example land titles, Facebook, or business affairs.
<p>Compliance: Keeping of records for seven years</p> <p><i>Section .230</i></p>	<p>All case data and associated documents are available for seven years and archived or destroyed as per your policies.</p> <p>While recorded in Polonious no user can delete any case, record of action, or uploaded document. Although there are abilities that make data look like it has been removed or deleted it is simply hidden from that user's view, but still visible to senior managers or auditors as appropriate.</p>
<p>Customer: Information collection and compliance to law & Investigations Practice and Procedures Standards</p> <p><i>Section .231</i></p>	<p>This is a matter of training. Polonious can record all training completed by investigators and, if required, the expiry of that certification to ensure timely reminders of any renewed training requirements. Non-completion or currency will exclude the investigator from allocation to cases.</p>
<p>Surveillance: Authorisation</p> <p><i>Section .232</i></p>	<p>Reasons for surveillance are collected and allocation to investigators is filtered based on their qualification to complete the surveillance.</p>
<p>Surveillance: Investigator conduct</p> <p><i>Section .233</i></p>	<p>This is a matter of training. Polonious can record all training completed by investigators and, if required, the expiry of that certification to ensure timely reminders of any renewed training requirements. Non-completion or currency will exclude the investigator from allocation to a case.</p>

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<p>Surveillance: Stopping surveillance – pre-existing mental health condition</p> <p><i>Section .234</i></p>	<p>Polonious allows for any such issue to be recorded as the rationale for ceasing surveillance and to ensure that it is not scheduled in the future.</p>
<p>Surveillance: Communication of activity which may reveal directly or indirectly surveillance activity</p> <p><i>Section .235</i></p>	<p>This is a matter of training. Polonious can record all training completed by investigators and, if required, the expiry of that certification to ensure timely reminders of any renewed training requirements. Non-completion or currency will exclude the investigator from allocation to a case.</p>



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