

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4716



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.,**
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY "HORI" G.
HORIBATA AND HON. NICOLAS "NICK" C. ENCISO VIII

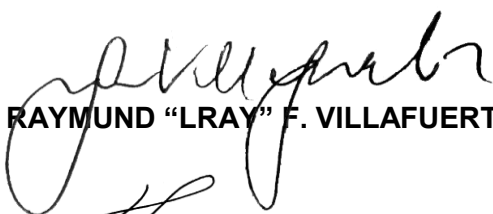
EXPLANATORY NOTE

This bill proposes to create an Insurance Fraud Detection Division which shall be organized under the National Bureau of Investigation (NBI). The Insurance Fraud Detection Division shall be the primary division under the NBI which shall investigate and prosecute government insurance fraud to ensure that similar schemes and other government insurance fraud would be detected, investigated, and prosecuted speedily.

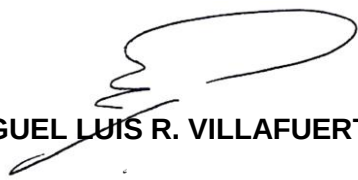
Insurance contributions come from hard-earned money. It is unfair to the Filipinos if government insurance is always involved in anomalies and scandals such as the creation of ghost members, irregular fast-tracking of claims, fake receipts, and other similar issues.

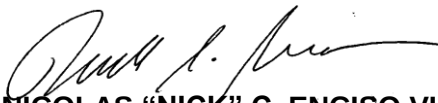
Hence, the Insurance Fraud Detection Division shall be tasked to investigate and prosecute government insurance fraud involving government-owned and controlled corporations, such as but not limited to, the Philippine Health Insurance Corporation (PhilHealth), Social Security System (SSS), Government Service Insurance System (GSIS), and other government agencies engaged in insurance.

In view of the foregoing, the approval of this bill is most earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.


TSUYOSHI ANTHONY "HORI" G. HORIBATA


MIGUEL LUIS R. VILLAFUERTE


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AN ACT
CREATING THE INSURANCE FRAUD DETECTION DIVISION UNDER THE
NATIONAL BUREAU OF INVESTIGATION, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* - This Act shall be known as the "*Insurance Fraud Detection Act.*"

SEC. 2. *Declaration of Policy.* - The State recognizes that the country's insurance systems, by its nature, are susceptible to fraud and the need to proactively fight the same. Thus, It is the policy of the state to ensure that our Insurance government agencies are viable and sustainable. Fraudulent schemes and transactions have no place in our insurance systems as millions of Filipinos depend on this for their health, retirement, and an overall better quality of living. Therefore, It is also the policy of the state to detect, investigate, and prosecute government insurance fraud speedily and actively.

SEC. 3. *The Insurance Fraud Detection Division.* - It is hereby created and established an Insurance Fraud Detection Division which shall be organized under the NBI within sixty (60) days after the effectivity of this Act.

SEC. 4. *Composition.* - The Insurance Fraud Detection Division shall be composed of one (1) Head Agent and thirty (30) agents. Being a highly specialized office, agents

In this division shall consist only of individuals with high level of competence, as proven by their educational background and/or work experience, in any of the following areas: information technology, data science/data analytics, accountancy with required specialization on forensic accounting, and engineering management/management engineering.

The NBI Director shall ensure that all areas of specialization as specified in this section are adequately represented in the staffing requirements of the proposed Insurance Fraud Detection Division.

SEC. 5. *Mandate and Scope.* - The Insurance Fraud Detection Division shall be the primary division under the NBI which shall investigate and prosecute government insurance fraud involving government owned and controlled corporation, such as but not limited to, the Philippine Health Insurance Corporation (PhilHealth), Social Security System (SSS), Government Service Insurance System (GSIS), and other government agencies engaged in insurance.

SEC. 6. *Powers and Duties of the Division.* - The Insurance Fraud Detection Division shall have the following powers, functions, and duties, among others;

- (a) Shall conduct an inventory of all cases of government insurance fraud from all government sources;
- (b) Shall undertake investigation and detection of all crimes and offenses of government insurance fraud;
- (c) Issue subpoena for the appearance of any person for investigation or production or production of documents, through the NBI officers from the ranks of Regional Director to Director;
- (d) Create a national clearing house of criminal records and other related information regarding government insurance fraud, for the benefit of the government;
- (e) Render technical assistance to government agencies and instrumentalities, when so requested;
- (f) Set-up field offices in the various insurance government agencies;
- (g) Shall have access to all data of the various insurance government agencies;

- (h) Conduct intelligence operations in furtherance of the foregoing powers and functions; and
- (i) Perform such other functions as the NBI Director may assign.

SEC. 7. *Inter-governmental Cooperation.* - The Insurance Commission, Department of Health, Securities and Exchange Commission, Governance Commission for GOCC, Commission on Audit, shall provide its technical skills and knowledge, cooperation and share information and intelligence for investigation with the Insurance Fraud Detection Division of the NBI.

SEC. 8. *Philippine National Police Assistance.* - The Philippine National Police shall provide investigative teams and field agents to directly coordinate and assist in the various government insurance fraud.

SEC. 9. *Appropriations.* - The amount necessary to carry out the implementation of this Act shall be sourced from the budget of the NBI.

SEC. 10. *Separability Clause.* - If any provision of this Act is declared unconstitutional, such sections or parts not affected thereby shall remain in full force and effect.

SEC. 11. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,