

Modernizing OFRS Policy Types and Fraud Schemes

Proposal to NAIC Anti-Fraud Task Force
In partnership with the National Insurance Crime Bureau

Goal: Improve Useability and Data Quality

- For decades, the NAIC Online Fraud Reporting System (OFRS) and NICB Fraud Bureau Reporting Program (FBRP) have relied on users / submitters to select from lists of “policy types” and “fraud schemes” (at NICB: “referral reasons”)
- NAIC AFTF Tech Working Group has reviewed and proposes updates to / modernizing those data inputs
 - Solicited broad stakeholder feedback
- Focus of effort is to **improve ease of reporting** insurance fraud, while still **capturing meaningful data** for reporting & analytics purposes



Proposed Improvements

- **“Policy Types” and “Fraud Schemes”** are vital data points in informing regulators/law enforcement and triaging cases/investigations
- **“Policy Types”** indicate what kind of insurance policy was involved/impacted in the suspected fraud
 - PROPOSAL: Modernize list to **15 Policy Types** (removing 10 and adding 3)
 - Ex. Drop “Agents License” type; add “Travel Insurance” and “Pet Insurance”



Proposed Improvements (Cont.)

- **“Fraud Schemes”** indicates what kind of fraud tactic or technique is suspected
 - PROPOSAL: Modernize list to **30 Fraud Schemes** (removing or combining 51 and adding 3)
 - Ex. Drop “Bribery” type; add “Account Takeover” and “Internal” (added to “Agent Fraud”)
- If **“Other”** is selected for “Fraud Scheme” or “Policy Type,” longer narrative required



Value: DOIs Gain Improved, Faster Insight from Modernized Types/Schemes

- Outdated types/schemes are removed; emerging fraud trends are added
- Increased precision for greater insight—ex. Instead of “Property and Casualty” as Policy Type, using “Motor Vehicle Insurance” or “Homeowners/Renters Insurance”
- Flexibility: States can still collect more detailed data sub-categories if desired
- Mapping to NICB Fraud Bureau Reporting Program
 - NICB is prepared to map its enhanced Questionable Claim submission inputs (including “reasons for referral”) to the NAIC’s revised types upon adoption
 - NAIC-NICB collaboration will effectively eliminate use of “Other” as a category, meaning more actionable data

Proposed: To Adopt Revised “Policy Types”

- Bail Bond
- Commercial Insurance
- Disability Insurance
- Health Insurance
- Homeowners/Renters Insurance
- Life/Annuity Insurance
- Long-Term Care
- Motor Vehicle Insurance
- Other (Must provide narrative)
- Pet Insurance
- Supplemental Insurance
- Title Insurance
- Travel Insurance
- Unauthorized (All Types)
- Workers Compensation

Proposed: To Adopt Revised “Fraud Schemes”

- Account Takeover
- Agent/Internal Fraud
- Application Fraud (Misrepresentation, Premium Avoidance)
- Arson
- Billing Fraud (Billing for Products/Services Not Provided)
- Double Dipping/Multiple Claims/Failure to Disclose Multiple Insurers
- Exaggerated/Fictitious Injuries (includes Malingerers, injuries not related to work, etc.)
- Fraudulent Death Claim
- Fictitious Claim
- Fictitious Damages
- Fictitious Loss/Theft (Property)
- Fictitious Theft (Vehicle)
- Illegal Solicitation/Kickbacks
- Inflated Value (Damages, Loss, Theft, Inventory)
- Issued, Possessed, or Sold Fraudulent Insurance Policies, Certificates, Binders, ID Cards
- Jump In/Auto Accidents
- Misrepresentation of Products/Services Provided
- Other (Must provide narrative explanation if used)
- Over-utilization of Services
- Paper Accidents
- Prescription Abuse (Doctor Shopping/Issued for non-medical purpose)
- Prior Damages
- Prior Injuries
- Questioned Documents (Altered, Duplicated, Falsified, Forged)
- Ring/Organized Activity
- Staged Accident (collision, slip and fall, injury, accident at work)
- Synthetic/Stolen Identity
- Unbundling/Upcoding
- Using Unlicensed/Unqualified Persons to Perform Billable Service
- Working While Collecting TTD Benefits

Thank you
