

## Draft Pending Adoption

Draft: 12/16/21

Antifraud (D) Task Force  
Virtual Meeting (*in lieu of meeting at the Fall National Meeting*)  
November 12, 2021

The Antifraud (D) Task Force met Nov. 12, 2021. The following Task Force members participated: Trinidad Navarro, Chair (DE); Judith L. French, Vice Chair, represented by Michelle Brugh Rafeld (OH); Alan McClain represented by Crystal Phelps and Paul Keller (AR); Evan G. Daniels represented by Paul Hill (AZ); Ricardo Lara represented by Shawn Conner (CA); Andrew N. Mais represented by Kurt Swan (CT); Karima M. Woods represented by Michael Press (DC); Doug Ommen represented by Benjamin Olejnik (IA); Dean L. Cameron represented by Kyle Cammack (ID); Vicki Schmidt represented by Tate Flott (KS); Sharon P. Clark represented by Juan Garrett (KY); James J. Donelon represented by Matthew Stewart (LA); Anita G. Fox represented Michele Riddering (MI); Grace Arnold represented by Chris Ness and Devin Chapman (MN); Chlora Lindley-Myers represented by Carrie Couch and Jeana Thomas (MO); Mike Chaney represented by John Hornback (MS); Troy Downing and Troy Smith (MT); Mike Causey represented by Angela Hatchell, Della Shepherd and Tracy Biehn (NC); Jon Godfread represented by Dale Pittman and Jennifer Middlestead (ND); Eric Dunning represented by Martin Swanson (NE); Chris Nicolopoulos represented by Edwin Pugsley and Heather Silverstein (NH); Glen Mulready represented by Rick Wagon (OK); Andrew R Stolfi represented by Dorothy Bean (OR); Raymond G. Farmer represented by Gwen Fuller McGriff (SC); Jonathan T. Pike represented by Armand Glick (UT); Scott A. White represented by Mike Beavers (VA); and Allan L. McVey represented by Greg Elam (WV). Also participating was: John Haworth (WA).

1. Adopted its Oct. 27 and Summer National Meeting Minutes.

The Task Force met Oct. 27 and took the following action: 1) adopted its 2022 proposed charges.

Mr. Swan made a motion, seconded by Mr. Stewart, to adopt the Task Force's Oct. 27 and July 26 minutes (*see NAIC Proceedings – Summer National Meeting 2021, Antifraud (D) Task Force*). The motion passed unanimously.

2. Received an Update from the Antifraud Education Enhancement (D) Working Group

Ms. Rafeld said the Working Group is currently in the process of setting up webinars for the state fraud directors and staff. The first is the annual investigator safety webinar, which will be offered in December. Ms. Rafeld said the webinar is consistently being updated, and she encourage everyone to attend even if they have already due to the new information being added. Ms. Rafeld said the next webinar that is being worked on is an open-source webinar series. She said in 2019 at the Insurance Fraud Management (IFM) Conference, Michele Stuart (JAG Investigations) provided training, and the Working Group is looking to host this in a segmented portion with two to three sessions. Ms. Rafeld said the Working Group is always looking for new training topics, and she encouraged state insurance regulators or industry representatives to send in topics to the NAIC.

Ms. Rafeld said moving forward, the Working Group will continue to monitor emerging issues for new fraud schemes and provide the necessary training to assist with education on the various types of insurance fraud.

3. Received an Update from the Antifraud Technology (D) Working Group

Mr. Glick said the Working Group has continued to work on the creation of an Antifraud Plan Repository. Mr. Glick said the Working Group has previously reviewed the antifraud plan guideline in 2020. He said the Working Group created a subject matter expert (SME) group to develop an antifraud template and workflow. Mr. Glick said the SME group is finalizing its work on this project and expects to have it finalized by end of year. Mr. Glick said the final draft will be presented to the Working Group for its consideration and then will refer it to the Task Force for review.

4. Received an Update from the Improper Marketing of Health Insurance (D) Working Group

Mr. Pyle said the Working Group has continued increase the size of its Working Group members and is currently at 15 members. He said the Working Group has continued to meet monthly in regulator-to-regulator session. Mr. Pyle said the Working Group has had participation from federal agencies including the Federal Bureau of Investigations (FBI), the U.S. Department of Labor (DOL), and the federal Centers for Medicare & Medicaid Services (CMS). Mr. Pyle said due to the discussions during these meetings and the added support from these federal agencies, the Working Group has been able to act on some of the bad actors that are improperly marketing health insurance

## Draft Pending Adoption

Mr. Pyle said the Working Group will continue meet monthly in regulator-to-regulator session, but it is working to hold open meetings as well. Mr. Pyle said the Working Group will hold its first open meeting on at the Fall National Meeting. to hear presentations from the Alliance of Health Care Sharing Ministries, America's Health Insurance Plans (AHIP), and the NAIC consumer representatives on the efforts they are making to fight against the improper marketing of health insurance. Mr. Pyle said the Working Group plans to meet next on Dec. 2 in regulator-to-regulator session.

### 5. Heard a Report from the Coalition

Matthew Smith (Coalition Against Insurance Fraud) said the Coalition will be on the keynote address kicking off the Global Insurance Fraud Summit. He said during the Summit, the Coalition will be releasing the first ever study completed on the globalization of insurance fraud. The data has been compiled in Denmark over the last couple of months. Mr. Smith said the Coalition has closed its study, which is completed every two years on the state of insurance fraud technology, reviewing how insurers are using technology to identify fraud. Mr. Smith said this data can also be used to see areas of weaknesses, what the concerns are, and what needs to improve. He said the Coalition will be releasing that study and a joint presentation with Statistical Analysis Systems (SAS). Mr Smith said SAS is the Coalition's partner in Washington, DC. He said the study will also be presented at the Coalition's annual meeting on Dec. 7 and will then be available, starting Dec. 8, on its website.

Mr. Smith said the Coalition's annual meeting will take place Dec. 6-7 in Washington, DC. He said at this time, they have 130 people registered to attend. Mr. Smith said during this meeting, they will discuss towing fraud and staged automobile accidents in addition to looking into 2022. He said they will be presenting the Prosecutor of Year Award and the 2021 Fraudster Hall of Shame. Mr. Smith said they will be updating their bylaws, encouraging other associations and companies around the world to join the Coalition.

Mr. Smith said the Coalition's amicus program or friend of the court judicial program has two new briefs. The first is in the Supreme Court for Colorado dealing with individual insurance company employees being named as defendants in bad faith claims. Mr. Smith said the second is in New Jersey with a case of Liberty Mutual vs. Tech-Dan. The Coalition has filed a brief concerning whether if someone is found culpable for civil damages for committing insurance fraud, there should be joint liability where the damages can be collected against any one of them.

Ms. Smith said as the Coalition looks toward 2022, it is compiling a list of 22 legislative priorities, which will be adopted at the upcoming annual meeting. He said the Coalition has partnered with California to get criminal statue passed. Mr. Smith encouraged states to reach out to the Coalition for assistance with getting new laws passed.

Ms. Rafeld said she would encourage other state fraud directors to get involved with the Coalition and use the numerous resources they have available. Commissioner Navarro said he agrees with her comments and encourages states to use the Coalition and each other to work toward the same goal of fighting against insurance fraud

Having no further business, the Antifraud (D) Task Force adjourned.

[AFTF 11.12.21 Minutes](#)

## ANTIFRAUD (D) TASK FORCE

The mission of the Antifraud (D) Task Force is to serve the public interest by assisting the state insurance supervisory officials, individually and collectively, through the detection, monitoring, and appropriate referral for the investigation of insurance crime, both by and against consumers. The Task Force will assist the insurance regulatory community by conducting the following activities: 1) maintaining and improving electronic databases regarding fraudulent insurance activities; 2) disseminating the results of research and analysis of insurance fraud trends, as well as case-specific analysis, to the insurance regulatory community; and 3) providing a liaison function between state insurance regulators, law enforcement (federal, state, local, and international), and other specific antifraud organizations. The Task Force will also serve as a liaison with the NAIC Information Technology Group (ITG) and other NAIC committees, task forces, and/or working groups to develop technological solutions for data collection and information sharing. The Task Force will monitor all aspects of antifraud activities by its working groups on the following charges.

### Ongoing Support of NAIC Programs, Products or Services

#### 1. The **Antifraud (D) Task Force** will:

- A. Work with NAIC committees, task forces, and working groups (e.g., Title Insurance (C) Task Force, etc.) to review issues and concerns related to fraud activities and schemes related to insurance fraud.
- B. Coordinate efforts to address national concerns related to agent fraud and activities of unauthorized agents related to insurance sales.
- C. Coordinate the enforcement and investigation efforts of state and federal securities regulators with state insurance fraud bureaus.
- D. Coordinate with state, federal, and international law enforcement agencies in addressing antifraud issues relating to the insurance industry.
- E. Review and provide comments to the International Association of Insurance Supervisors (IAIS) on its Insurance Core Principles (ICPs) related to insurance fraud.
- F. Coordinate activities and information from national antifraud organizations and provide information to state insurance fraud bureaus.
- G. Coordinate activities and information with state and federal fraud divisions to determine guidelines that will assist with reciprocal involvement concerning antifraud issues resulting from natural disasters and catastrophes.
- H. Coordinate efforts with the insurance industry to address antifraud issues and concerns.
- I. Evaluate and recommend methods to track national fraud trends.

I.J. [Develop seminars, trainings, and webinars regarding insurance fraud. Provide three webinars by the 2022 Fall National Meeting](#)

#### ~~2. The **Antifraud Education Enhancement (D) Working Group** will:~~

- ~~A. [Develop seminars, trainings, and webinars regarding insurance fraud. Provide three webinars by the 2022 Fall National Meeting.](#)~~

#### ~~3.2. The **Antifraud Technology (D) Working Group** will:~~

- ~~A. Work with the NAIC to develop an Antifraud Plan Repository to be used by insurers to create and store an electronic fraud plan for distribution among the states/jurisdictions. Complete by 2022 Fall National Meeting.~~
- ~~B. Evaluate sources of antifraud data and propose methods for enhancing the utilization and exchange of information among state insurance regulators, fraud investigative divisions, law enforcement officials, insurers, and antifraud organizations. Complete by the 2022 Fall National Meeting.~~

#### ~~4.3. The **Improper Marketing of Health Insurance (D) Working Group** will:~~

- ~~A. Coordinate with state insurance regulators, both on a state and federal level, to provide assistance and guidance monitoring the improper marketing of health plans, and coordinate appropriate enforcement actions, as needed, with other NAIC committees, task forces, and working groups.~~
- ~~B. Review existing NAIC models and guidelines that address the use of lead generators for sales of health insurance products, and identify models and guidelines that need to be updated or developed to address current marketplace activities.~~

NAIC Support Staff: Greg Welker/Lois E. Alexander