THE EMERGING CYBERTHREAT OF TECHNOLOGY ENABLED CLAIMS INSTIGATION

Market Regulation and Consumer Affairs (D) Committee
March 24, 2023

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Missouri
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North Dakota
South Carolina
Vermont
Wyoming

NAIC Support Staff:
Tim Mullen
Randy Helder
DISPROPORTIONATE LITIGATION LEVELS

- Lead to insolvency of multiple insurers
- Could TV, billboards, and radio be THAT effective?
- What else would be causing a surge in claims litigation frequencies?

St. John's Insurance Company
New Litigation Counts by Month - Homeowners Insurance - Florida

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<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
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<th>2019</th>
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*Approximate 2021 claims count in California’s $12B HO market. Fifth largest economy in the world.

Source: Guy Fraker, Crea8tFutures
SEO-DRIVEN LEAD GENERATION

Total # of unique paid keywords. Each time one of these keywords is searched on Google, it shows this domain’s ad in one of its paid results.

What public adjuster can afford $650K on advertising?

Estimate of what domain spent in Google Ads during the most recent month. ($650K+/Yr)

Organic Keywords (SEO)

Organic Keywords
2,589

Est Monthly SEO Clicks
1,272

Est Monthly SEO Click Change
-23

Paid Search (PPC)

Paid Keywords
1,207

Est Monthly PPC Clicks
3,697

Est Monthly Google Ads Budget
$57,060
PAID KEYWORDS

PAID KEYWORDS “GO-LIVE” PRIOR TO NOAA CONFIRMED STORM PATH.

COMPETITION

“CORE” KEYWORDS ARE COVETED BY PAs, LAW GROUPS, & CONTRACTORS TO DRIVE TRAFFIC TO THEM

CONTENT

BLOGS, WEB FORMS, EMAIL CAMPAIGNS, BACKLINKING, WEB PAGE SCHEMA GET PUBLISHED

TARGETING

HIGHLY TARGETED CARRIERS WILL BE IDENTIFIED & ENGAGED. VISIBILITY AND BRAND TURNED AGAINST YOU.
HOW THEY GET TO YOUR INSURED?

By outranking the insurance company’s claims department.

Storm-based Ad-driven sophistication
NO ONE IS IMMUNE

ONE month of targeting by ONE PA Group = 18,200 search intercepts

We examined methods using hidden text and "cloaking" from page visitors while letting search engines crawl.
SCALE OF ENGAGEMENT BY OPPORTUNISTS

Average Monthly Spend on Paid SEO
By International Icons
$296,000

VS.

Average Monthly Spend on Paid SEO
By a Substantial Law Firm
$741,000
SCALING CLAIMS LITIGATION

- Six Florida carriers failed (pre-Ian) due to a significant increase in new suits at levels often exceeding the aggregate new suits in entire states!
- Law groups used tech-enabled Litify and similar platforms to increase suit filings by 500% in 5 years

From 10 → 400 NEW litigations/month

“Google-style” litigation platforms have immediately impacted rate adequacy, pricing assumptions, and solvency
STELLAR RETURNS

Litigation finance has outperformed on a multiple of invested capital basis

Note: Average of last reported data, Goldman forward multiple of invested capital estimates for leading listed sector players.
Source: Goldman Sachs, Bloomberg
We have seen a large influx of out-of-state law firms that use disturbing marketing practices promising to recover large claim settlements before even examining the claim,” said Independent Insurance Agents & Brokers of Louisiana CEO Jeff Albright.
WHILE YOU WERE WATCHING IAN’S PATH….

HURRICANE IAN INSURANCE LAWYER

If you have suffered a loss due to Hurricane Ian and you do not know where to begin, trust the law firm of [redacted] to assist you. Dealing with insurance companies can be difficult, frustrating, and confusing. Without representation, you might not be fully compensated. Call us at [redacted].

Hurricane Ian is one of the most devastating hurricanes to hit the United States. Damages can include broken windows, debris cleanup, flooding, structural damage—your entire roof could have even blown off. Few people realize that you can be compensated for damage caused by hurricanes and other types of natural disasters. Your insurance may or may not provide reimbursement for the necessary repairs.

Homeowners and other property owners are often uninformed about their rights and what to expect after a hurricane. Not having the guidance and knowledge of what is possible for you can allow insurance companies to take advantage. Expert representation from experienced Hurricane Ian insurance lawyers, like at our firm, can help you navigate your policy, the claims process, and the law.

How Can We Help File a Claim Dispute?

The Best Public Adjusters in Fort Myers

Get a Free Estimate

Why Is [redacted] the Best Lawyer to Help with Hurricane Ian Damage

At [redacted] we provide personalized service and attention to our clients, ensuring that they are treated like individuals rather than just numbers.

We understand that every case is unique, and so we tailor our approach to each client’s specific needs, rather than offering a one-size-fits-all solution.

If you’re looking for quality, individualized service to help with your Hurricane Ian damage claim, contact

Do You Have Hurricane Ian Damage?

Do not wait on your carrier. Our insurance specialists accelerate the process to get you a full and fair settlement.

As licensed public adjusters, we protect insured property owners and prepare and present their claims after hurricanes, storms, and more.

Our team:

☐ Is local and the leading public adjusting firm in Florida, specializing in hurricanes.
☐ Leverages your policy and handles every step and deadline.
☐ Accurately documents all hurricane damage and proves it to your carrier.
☐ Negotiates on your behalf the best possible settlement.

Get Expert Claim Help Today

[Form]

4WARN, Inc.
COMPARING YOUR SEO TO OPPORTUNISTS

REGIONAL CARRIER

Organic Keywords (SEO) 310
Paid Keywords 0
Est Monthly SEO Clicks 1,856
Est Monthly SEO Click Change -129

ONE NATIONAL LAW FIRM

Organic Keywords (SEO) 252,518
Paid Keywords 78,465
Est Monthly SEO Clicks 246,968
Est Monthly PPC Clicks 22,945
Est Monthly Google Ads Budget $800,800

We’ve looked at over 500 billion Search Engine Results Pages (SERPs) and have never seen this carrier advertise since 2005
PRELIMINARY IMPACT ANALYSIS TO A NATIONAL INSURER
ONE MONTH OF TARGETING BY ONE LAW GROUP

TARGET KEYWORDS

“Travelers insurance personal injury settlement”
“Travelers insurance lump sum settlement”
“Travelers insurance claims”
“Travelers insurance claims phone number”
“Travelers insurance workers comp settlement”

114,780 Keywords
12M Search Volume
90+ Targeted Carriers

104,000 Click Conversions

$981,000 Est. Monthly Click Value
150,000% Growth in 10 years
PERSONAL INJURY FIRM (NYC)

2,566 Paid Keywords Monthly Paid Search

Organic Keywords: 9,811
Sum of Rank Change: 3 mo: 15.2k, 1 mo: 2.9k
Estimated Monthly SEO Clicks: 4.08k
Estimated SEO Clicks Value: $178k

Exploration “Testing” Phase
COMPETITION FROM THREE LAW FIRMS
WITH YOU AS THE PRIZE
### AD PLACEMENTS TARGETING YOUR BRAND

**Search = “XYZ Insurance personal injury settlements”**

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*2021*

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*2022*

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4WARN “TOPOLISTICS”
INITIAL IMPACT

92
SEO HEAT MAP OF 36 LAW FIRMS (110 Locations)
HIGHLY TARGETED ZONES

SAN FRANCISCO
8 LAW FIRMS
$189,000 PPC/Yr.
232,000 Org Keywords
20.6M Monthly Search Volume

CHICAGO
6 LAW FIRMS
$1.2M PPC/Yr.
246,000 Org Keywords
22.2M Monthly Search Volume

MIAMI
7 LAW FIRMS
$3.6M PPC/Yr.
432,000 Org Keywords
26.7M Monthly Search Volume
PERSONAL INJURY LAW FIRM
New York, NY  10038

SEO CLICK ACTIVITY SINCE 2020
Organic Keywords: 4,074
Total Search Volume (per month) = 180,000
Annual SEO CLICKS: 13,644

TARGET AREAS:
- New York personal injury
- Crane accidents
- Hemicranieectomy
- Laminectomy
- Cracked sidewalks
- Construction accidents
- Auto accidents

SPEND TARGETS
- NY Construction accident attorney $636/click
- NY Accident lawyer $364/click
- Auto Accident Lawyer $363/click
- NY Auto Accident $317/click
- Bus Accident $239/click
- Fall Accident $196/click
- Truck Accident $128/click
- Slip and Fall $44/click

1200% Growth from 2020
ANALYSIS POST 2022 FLORIDA LEGISLATION

Comparison of four Floridian-based law groups shows multi-phased SEO-driven growth peaking consistently in Q4, 22. Q1, ‘23 shows initial signs of growth into new P&C targets, new insurance lines, digital ad spend, policy stress-testing, paid-per-click spending. Note scale (Y-axis) of number of organic keywords correlate to “size” of analyzed law firm.
THANK YOU!

To learn more, visit 4WARN.com and register.

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