

Draft Pending Adoption

30Draft: 8/20/24

Antifraud (D) Task Force
Chicago, Illinois
August 14, 2024

The Antifraud (D) Task Force met in Chicago, IL, Aug. 14, 2024. The following Task Force members participated: John F. King, Chair (GA); Trinidad Navarro, Vice Chair, represented by Susan Jennette (DE); Barabara D. Richardson represented by Lori Munn (AZ); Andrew N. Mais represented by Kurt Swan (CT); Karima M. Woods represented by Mike Ross (DC); Michael Yaworsky represented by Alex May and Chris Welch (FL); Dean L. Cameron represented by Randy Pipal (ID); Sharon P. Clark represented by Juan Garrett (KY); Timothy J. Temple represented by Nathan Strebeck (LA); Grace Arnold represented by T.J. Patton (MN); Mike Chaney represented by John Hornback (MS); Eric Dunning represented by Maggie Reinert and Martin Swanson (NE); D.J. Bettencourt represented by Josh Hilliard (NH); Alice T. Kane represented by Roberta Baca (NM); Scott Kipper represented by David Cassetty (NV); Glen Mulready represented by Rick Wagnon (OK); Andrew R. Stolfi represented Cassie Soucy (OR); Michael Humphreys represented by David Buono (PA); Elizabeth Kelleher Dwyer represented by Matt Gendron (RI); Michael Wise represented Melissa Manning (SC); Cassie Brown represented by Leah Gillum (TX); Jon Pike represented by Armand Glick (UT); Scott A. White represented by Juan Rodriguez Jr. and Richard Tozer (VA); and Nathan Houdek represented by Rebecca Rebholz (WI).

1. Adopted its Spring National Meeting Minutes

Glick made a motion, seconded by Swanson, to adopt the Task Force's March 17 minutes (*See NAIC Proceedings – Spring 2024, Antifraud (D) Task Force*). The motion passed unanimously.

2. Discussed a Review of its 2025 Charges

Commissioner King said it is the time of year that the Task Force must review its current charges and make comments on or suggestions for its 2025 charges. Commissioner King said NAIC staff will distribute an email exposing the 2024 charges for a 30 day comment period ending Sept. 20.

3. Heard a Presentation on AI

Strebeck gave a presentation to the Task Force on how artificial intelligence (AI) is affecting insurance fraud. Strebeck said that fraud costs consumers \$308 billion annually. He said 16% of the U.S. agree that fraud is acceptable and not an issue, while 84% agree that insurance fraud is a crime. Strebeck said survey results show that younger generations tend to be more accepting of insurance fraud, whereas older generations responded that they consider insurance fraud a crime. He said the data indicates that this could be a growing concern. Strebek said a demographic study provided a look at how consumers feel about filing claims on their insurance policy. He said Louisiana data show that fraud reports are increasing, technology is a catalyst for insurance fraud, and innovation is necessary if the fight against insurance fraud is to continue. Strebek said he looks forward to working with NAIC staff to provide additional training or information on the ever-changing technology and how it affects insurance fraud.

4. Adopted the Report of the Improper Marketing of Health Insurance (D) Working Group

Swanson said the Working Group met Aug. 14. During this meeting, the Working Group adopted its Spring National Meeting minutes and heard from the federal Centers for Medicare & Medicaid Services (CMS) and America's Health Insurance Plans (AHIP) concerning the current issues consumers are experiencing with continued agent

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transfers of policies. The Working Group discussed the importance of this issue as it concerns consumer protection. Swanson said CMS advised the Task Force that at the 2025 Spring National Meeting, it will have a 12-month time frame of data to review and determine if current efforts are making the impact necessary to protect consumers. Swanson said the Working Group will meet in regulator-to-regulator and open session to continue discussions with state, federal, and industry representatives in order to protect consumers. Swanson said the Working Group heard from Brian Webb (NAIC) about current congressional movements taking place in addition to an update on the Affordable Care Act (ACA) marketing issues.

Gendron made a motion, seconded by Buono, to adopt the report of the Improper Marketing of Health Insurance (D) Working Group (Attachment XX). The motion passed unanimously.

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

Glick said the Working Group has been working with NAIC staff to implement the revised Online Fraud Reporting System (OFRS) web service in states. He said the Working Group will meet to discuss the current fields found within the National Insurance Crime Bureau (NICB) reporting system and the fields that fraud directors want within the OFRS. Glick said the Working Group is aware of a letter sent from the Coalition Against Insurance Fraud (CAIF) to request the development of the Antifraud Plan Repository, which will be addressed in its update to the Working Group.

6. Heard Reports From Interested Parties

A. CAIF

Brent Walker (CAIF) said the CAIF has been focusing on three areas: 1) outreach; 2) advocacy; and 3) research. Walker said the CAIF supports the application of resources for online antifraud initiatives and will continue to work with states and their members to provide these resources. He said the CAIF is currently implementing strategic planning. It has created two new task forces, the Property and Casualty Task Force and the Medical Task Force. Walker said the CAIF has added Kate Gordon as its general counsel to help improve the organization. Walker said the CAIF will release a podcast to support the fight against insurance fraud.

B. NICB

Edward Tobin (NICB) said the NICB has been working with NAIC staff on the OFRS implementation and enhancements. Tobin said the NICB spoke to the Task Force in March regarding the Contract Fraud Awareness Week that took place in May. Tobin said the discussions that took place were great and that he appreciated the support from the Task Force members. He said that, regarding legislative highlights, there were seven new bill packages. Tobin said the NICB is continuing to work with new insurance Commissioners to help ensure they have access to referrals, data, intel reports, and all the necessary investigative assistance. Tobin said the 7th Annual National Conference of Insurance Crime Attorneys will take place Oct. 8–9 in Shamberg, IL.

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

[AFTF 8.14.24 Minutes](#)