

**ANTIFRAUD (D) TASK FORCE**

Antifraud (D) Task Force Dec. 8, 2019, Minutes

Antifraud (D) Task Force Oct. 31, 2019, Minutes (Attachment One)

## Draft Pending Adoption

Draft: 12/16/19

Antifraud (D) Task Force  
Austin, Texas  
December 8, 2019

The Antifraud (D) Task Force met in Austin, TX, Dec. 8, 2019. The following Task Force members participated: John G. Franchini, Chair, and Roberta Baca (NM); Trinidad Navarro, Vice Chair (DE); Lori K. Wing-Heier represented by Anna Latham (AK); Allen W. Kerr represented by Suzanne Tipton (AR); Keith Schraad represented by Scott Greenberg (AZ); Ricardo Lara represented by George Mueller (CA); Michael Conway represented by Damion Hughes (CO); Andrew N. Mais represented by Kurt Swan (CT); Stephen C. Taylor represented by Sharon Shipp (DC); John F. King represented by Margaret Witten (GA); Dean L. Cameron represented by Randy Pipal (ID); Vicki Schmidt represented by LeAnn Crow (KS); James J. Donelon represented by Matthew Stewart (LA); Anita G. Fox represented by Randall Gregg (MI); Steve Kelley represented by Michael Marben (MN); Chlora Lindley-Myers represented by Carrie Couch and Marjorie Thompson (MO); Mike Chaney represented by John Hornback (MS); Matthew Rosendale represented by Jeannie Keller (MT); Mike Causey and Tracy Biehn (NC); Jon Godfread represented by Johnny Palsgraaf (ND); Bruce R. Ramge represented by Peg Jasa (NE); Marlene Caride represented by Richard Besser (NJ); Barbara D Richardson represented by Stephanie McGee (NV); Jillian Froment represented by Angela Dingus and Jennifer Demory (OH); Glen Mulready represented by Rick Wagnon (OK); Andrew Stolfi represented by TK Keen (OR); Kent Sullivan represented by Leah Gillum and Chris Davis (TX); Todd E. Kiser represented by Armand Glick (UT); Scott A. White represented by Mike Beavers (VA); Mike Kreidler represented by John Haworth (WA); James A. Dodrill represented by Erin K. Hunter and Greg Elam (WV); and Jeff Rude represented by Bill Cole (WY). Also participating was: David Altmaier represented by Simon Blank (FL).

### 1. Adopted its Oct. 31 and Summer National Meeting Minutes

The Task Force met Aug. 4 and Oct. 31. During its Oct. 31 meeting, the Task Force adopted its 2020 proposed charges. Mr. Marben made a motion, seconded by Mr. Beavers, to adopt the Task Force's Oct. 31 (Attachment One) and Aug. 4 minutes (*see NAIC Proceedings – Summer 2019, Antifraud (D) Task Force*). The motion passed unanimously.

### 2. Discussed its 2020 Proposed Charges

Superintendent Franchini said during its Oct. 31 conference call, the Task Force adopted its 2020 proposed charges. He said the adopted charges had very few changes, including the necessary changes to appropriately update the charges to reflect 2020 deadlines. He said there were only two significant changes. The first was to remove the charge to coordinate with NAIC committees, task forces and working groups and provide a recommendation for the development of a database to be created and maintained by the Securities Valuation Office (SVO) specific to tracking the fraudulent financial reporting for chief executive officers (CEO), directors, and corporate officers. He said the charge was completed at the Spring National Meeting; therefore, the Task Force would not need to keep this on its list of charges. He said the second was to add a new charge to review and provide recommendations for the development of an Antifraud Plan Repository to be used by insurers to create and store an electronic fraud plan for distribution among the states/jurisdictions. He said the proposed charges would be presented and adopted by the Market Regulation and Consumer Affairs (D) Committee on Dec. 9. He said as the Task Force moves through 2020, he encourages Task Force members to bring other areas or potential goals that would assist with the fight against fraud.

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

Greg Welker (NAIC) said the Antifraud Education Enhancement (D) Working Group has not met since the Summer National Meeting; however, they held an Investigator Safety Training Webinar on Oct. 30. He said the webinar had 315 participants, and it received a 4.6 out of 5 on its review. He said in 2020, the Working Group will be hosting an Investigator Safety Training Webinar for department of insurance (DOI) employees, and it will be reaching out to the fraud directors for assistance with presenting. He said the Working Group will also be working to arrange an Open Source Investigation course for state investigators. He said the Working Group has encouraged the Task Force to send any potential topics for training at any time throughout the year.

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

Mr. Glick said the Antifraud Technology (D) Working Group has not met since the Summer National Meeting; however, it has met with the Antifraud Education Enhancement (D) Working Group and NAIC staff concerning the state requirements for

## Draft Pending Adoption

individual antifraud plans. He said after further investigation, the Working Group was able to confirm requirements for all the states/jurisdiction concerning whether an antifraud plan is required. He said in addition to this investigation, it determined that a review of the NAIC Antifraud Plan Guideline was overdue. He said on Nov. 25, the Working Group distributed an email soliciting comments, and it suggested changes to the NAIC Antifraud Plan Guideline with a deadline of Dec. 31.

### 5. Discussed the Fraudulent Treatment of Consumers

Superintendent Franchini said the next item on the agenda is a topic that was brought to the Task Force's attention concerning a BuzzFeed Article dated Aug. 15, advising that insurance companies are paying law enforcement officers to investigate their customers. He said the article claims that an alliance between insurers and law enforcement has turned the justice system into the industry's hired gun and left innocent customers facing prison. He said due to the activity that this article created, it was brought to the Task Force for further discussion. The Task Force discussed the article and posed the question of whether any state has encountered this type of fraud.

Mr. Blank said Florida has encountered some of these types of activities, and it has even prosecuted some law enforcement officials after concluding its investigation. Superintendent Franchini said there have been some states that have reviewed and provided further information regarding this topic. He said he would work with the Commissioner Navarro and NAIC staff to reach out to those states and provide its findings at the 2020 Spring National Meeting.

### 6. Heard a Presentation from the HFPP

Superintendent Franchini said next on the agenda is to hear a presentation from the Healthcare Fraud Prevention Partnership (HFPP). He said presenting to the Task Force will be Matthew Smith, Director of Government Affairs and General Counsel with the Coalition Against Insurance Fraud (Coalition); Sparky Heevner, Partner Engagement Lead and Recruiter with HFPP; and Dan Kreitman, Director of the HFPP. Mr. Kreitman said the HFPP is a volunteer public private partnership between federal government state agencies and private partners, law enforcement and antifraud associations. He said the HFPP aims the fight against fraud through a proactive approach using data and information sharing. He said the HFPP assists with this by an exchange of data between public and private sections, leveraging various analytic tools against statistics provided by its partners, and providing a forum for public leaders and members to speak out against insurance fraud. He said the overall goal of the HFPP is to promote training and information sharing.

### 7. Heard and Update from the Coalition

Mr. Smith said in 2019, the Coalition assisted with 198 bills that were introduced across the nation. He said from those bills introduced, there is now a total of 61 new antifraud bills in place to assist with the fight against insurance fraud. He said some of the highlights of those bills are two that were signed by New York concerning a bill called "Alice's Law," which is focused on staged auto accidents. In addition, New York signed an important storm chaser bill to protect consumers. Mr. Smith said Ohio has a similar bill pending. Florida has a number of bills pending, including an important auto glass bill.

Mr. Smith said the Coalition recently released an antifraud tool kit, which includes, videos, advertisements, graphics and press information available to all the states at no charge. He said the Coalition is gearing up to adopt its 2020 list of legislative priorities and encourage the states to reach out to the Coalition if there is a specific area that they can provide assistance. He said antifraud funding will remain a high priority on the legislative list for the Coalition as it moves into 2020. He said towing fraud also remains to be a big issue across the states, and the Coalition will continue to focus legislative issues on this type of fraud as well. He said in 2019, the Coalition reviewed and adopted a renewed version of their Insurance Fraud Act. He said the Coalition will be working this year to implement this within the states to assist with fighting insurance fraud.

Mr. Smith said in October of this year, he, along with Superintendent Franchini, attended the first ever International Insurance Fraud Summit which took place in Spain. He said this summit was a gathering of 16 different nations to discuss in an open line of communication to discuss the issues being faced with insurance fraud. He said the summit will take place again in 2020, and the Coalition plans to be a leader. He said the Coalition will also be participating with the French National Antifraud Group at a symposium taking place in Paris this coming February 2020 and the International Association of Special Investigator Units European conference taking place in Sweden sometime in June 2020. He said the Coalition will hold its annual year-end meeting Dec. 16 and 17 in Washington, DC.

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

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Draft: 11/14/19

Antifraud (D) Task Force  
Conference Call  
October 31, 2019

The Antifraud (D) Task Force met via conference call Oct.13, 2019. The following Task Force members participated: John G. Franchini, Chair, represented by Roberta Baca (NM); Trinidad Navarro, Vice Chair, (DE); Ricardo Lara represented by George Mueller (CA); Michael Conway represented by Damion Hughes (CO); Stephen C. Taylor represented by Phil Comstock (DC); David Altmaier represented by Matt Guy (FL); Nancy G. Atkins represented by Willie Skeens (KY); James J. Donelon represented by Trent Beach (LA); Steve Kelley represented by Michael Marben (MN); Chlora Lindley-Myers represented by Carrie Couch (MO); Matthew Rosendale represented by Jeannie Keller (MT); Mike Causey represented by Lisa Volpe (NC); Marlene Caride represented by Richard Besser (NJ); Barbara D. Richardson (NV); Andrew Stolfi represented by Stephanie Noren (OR); and Scott A. White represented by Mike Beavers (VA).

1. Discussed its 2020 Proposed Charges

Commissioner Navarro said the purpose of this conference call is to review and consider adoption of the Task Force's 2020 proposed charges. He said since there is no quorum, the Task Force would review the charges and discuss any comments. Then an e-vote request would be distributed to consider adoption of the proposed charges.

Commissioner Navarro said during the Summer National Meeting, the Task Force opened the 2019 charges to review and accept comments for its 2020 proposed charges. He said NAIC staff distributed the draft 2020 proposed charges, reflecting some minor changes regarding specific deadlines for next year. He said there were also two significant changes made to the 2019 charges. He said the first changes was to remove the charge which states, "coordinate with NAIC committees, task forces and working groups (e.g., Financial Condition (E) Committee, etc.) and provide recommendations for the development of a database to be created and maintained by the NAIC Securities Valuation Office (SVO) specific to tracking the fraudulent financial reporting for chief executive officers (CEO), directors, and corporate officers." He said this charge was discussed and completed at the Spring National Meeting, so there would no longer be a need to have this listed as part of the Task Force's charges moving forward.

Commissioner Navarro said the second and only other change was to add a new charge under the Antifraud Technology (D) Working Group which states that the Working Group will, "review and provide recommendations for the development of an Antifraud Plan Repository to be used by insurers to create and store an electronic fraud plan for distribution among the states/jurisdictions."

Mr. Mueller made a motion, seconded by Mr. Marben to adopt the Task Force's 2020 proposed charges. Commissioner Navarro said with no quorum, NAIC staff will distribute an email for an e-vote to finalize this process.

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

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