

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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Antifraud (D) Task Force
E-Vote
November 4, 2019

The Antifraud (D) Task Force conducted an e-vote that concluded Nov. 4, 2019. The following Task Force members participated: John G. Franchini, Chair, represented by Roberta Baca (NM); Trinidad Navarro, Vice Chair, represented by Frank Pyle (DE); Allen W. Kerr (AR); Ricardo Lara represented by George Mueller (CA); Andrew N. Mais represented by Kurt Swan (CT); David Altmaier represented by Simon Blank (FL); Doug Ommen represented by Jared Kirby (IA); Dean L. Cameron represented by Weston Trexler (ID); Vicki Schmidt represented by Dennis Jones (KS); Nancy G. Atkins represented by Willie Skeens (KY); James J. Donelon represented by Matthew Stewart (LA); Al Redmer Jr. represented by James Wright (MD); Steve Kelley represented by Michael Marben (MN); Chlora Lindley-Myers represented by Carrie Couch (MO); Mike Chaney represented by John Hornback (MS); Bruce R. Ramge (NE); Jon Godfread represented by Dale Pittman (ND); Barbara D. Richardson represented by Ted Bader (NV); Jillian Froment represented by Michelle Brugh Rafeld (OH); Glen Mulready represented by Rick Wagnon (OK); Kent Sullivan represented by Chris Davis (TX); Todd E. Kiser represented by Armand Glick (UT); Scott A. White represented by Mike Beavers (VA); and Jeff Rude represented by Todd Schildmeier (WY).

1. Adopted its 2020 Proposed Charges

The Task Force conducted an e-vote to consider adoption of its 2020 proposed charges. Mr. Mueller made a motion, seconded by Mr. Marben, to adopt the Task Force's 2020 proposed charges (*see NAIC Proceedings – Fall 2019, Executive (EX) Committee and Plenary, Attachment XX*). The motion passed unanimously.

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

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Draft: 10/30/19

Adopted by the Executive (EX) Committee and Plenary, TBD

Adopted by the Market Regulation and Consumer Affairs (D) Committee, TBD

Adopted by the Antifraud (D) Task Force, Oct. 31, 2019

2020 Proposed Charges

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 investigation of insurance crime, both by and against consumers. The Task Force will assist the insurance regulatory community by conducting the following activities: maintain and improve electronic databases regarding fraudulent insurance activities; disseminate the results of research and analysis of insurance fraud trends, as well as case-specific analysis, to the insurance regulatory community; and provide a liaison function between insurance regulators, law enforcement (federal, state, local and international) and other specific antifraud organizations. The Task Force also will 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.
2. The **Antifraud Education Enhancement (D) Working Group** will:
 - A. Develop seminars, trainings and webinars regarding insurance fraud. Provide three webinars by the 2020 Fall National Meeting.
3. The **Antifraud Technology (D) Working Group** will:
 - A. 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.
 - B. Evaluate sources of antifraud data and propose methods for enhancing the utilization and exchange of information among insurance regulators, fraud investigative divisions, law enforcement officials, insurers and antifraud organizations. Complete by the 2020 Fall National Meeting.

NAIC Support Staff: Greg Welker/Lois E. Alexander

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