

Draft: 1/10/23

Antifraud (D) Task Force  
Tampa, Florida  
December 14, 2022

The Antifraud (D) Task Force met in Tampa, FL, Dec. 14, 2022. The following Task Force members participated: Trinidad Navarro, Chair (DE); John F. King, Vice Chair (GA); Lori K. Wing-Heier represented by Alex Romero (AK); Alan McClain represented by Crystal Phelps (AR); Evan G. Daniels represented by Maria Ailor (AZ); Andrew N. Mais represented by Kurt Swan (CT); Doug Ommen represented by Andria Seip and Jared Kirby (IA); Dean L. Cameron represented by Hermoliva Abejar (ID); Vicki Schmidt represented by John Eichkorn (KS); Sharon P. Clark, represented by Rob Roberts (KY); Kathleen A. Birrane represented Mary Kwei (MD); Anita G. Fox represented by Michele Riddering and Randall Gregg (MI); Grace Arnold represented by Paul Hanson (MN); Chlora Lindley-Myers represented by Carrie Couch and Marjorie Thompson (MO); Mike Chaney represented by John Hornback (MS); Troy Downing represented by Steve Matthews (MT); Mike Causey represented by Tracy Biehn (NC); Jon Godfread represented by Dale Pittman (ND); Eric Dunning represented by Laura Arp and Martin Swanson (NE); Chris Nicolopoulos represented by Heather Silverstein (NH); Russell Toal represented by Leatrice Geckler (NM); Judith L. French represented by Michelle Brugh Rafeld (OH); Glen Mulready represented by Rick Wagnon (OK); Andrew R. Stolfi represented by Dorothy Bean and Stephanie Noren (OR); Michael Wise (SC); Larry D. Deiter represented by Melissa Manning and Travis Jordan (SD); Jon Pike represented by Randy Overstreet, Tanji J. Northrup, and Tracy Klausmeier (UT); Scott A. White represented by Juan A. Rodriguez Jr. and Richard Tozer (VA); and Kevin Gaffney (VT); and Allan L. McVey represented by Erin K. Hunter (WV).

#### 1. Adopted its Nov. 16 and Sept. 6 Minutes

Commissioner Navarro said the Task Force met Nov. 16, Oct. 28 and Sept. 6. During these meetings, the Task Force took the following action: 1) discussed its 2022 and 2023 charges and priorities; 2) discussed the proposal for a centralized producer portal; 3) discussed the NAIC Model Law Review for the *Unfair Trade Practices Act* (#880); and 4) heard reports from antifraud associations.

Commissioner King made a motion, seconded by Biehn, to adopt the Task Force's Nov. 16 (Attachment One), Oct. 28 (Attachment Two) and Sept. 6 (Attachment Three) minutes. The motion passed unanimously.

#### 2. Discussed its 2023 Proposed Charges and Priorities

Commissioner Navarro said the Task Force has had a successful year adopting the Antifraud Plan Repository Workflow, redesigning the Online Fraud Reporting System (OFRS), and creating the Improper Marketing of Health Insurance (D) Working Group. He said the Working Group has begun to focus on its charge to review models and guidelines for potential amendments. He said the Task Force has also made great efforts to provide additional training through the NAIC Insurance Summit, the Annual Fraud Directors Conference, and a New Fraud Training presented to the Northeast Zone.

#### 3. Discussed the Proposal for the NAIC Producer Portal

Commissioner Navarro said the Task Force has been working with NAIC staff and Harry Ting (Health Consumer Advocate) on a proposal to create a centralized portal that would allow consumers to find licensing information on insurance producers. Dr. Ting said the consumer representatives support the creation of this portal.

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### 4. Discussed a 1033 Waiver Request Template

Commissioner Navarro said the Producer Licensing (D) Task Force has requested that the 1033 waiver request be brought to the Task Force. He said for those not familiar with the 1033 waiver request, federal law provides penalties for a person who has been convicted of a felony involving dishonesty or breach of trust and engages in the business of insurance, unless the person receives written consent to engage in the business of insurance from the appropriate state insurance regulatory official.

Commissioner Navarro said it has been requested because it is important, as the Antifraud (D) Task Force was responsible for the development of the NAIC's *Guidelines for State Insurance Regulators to the Violent Crime Control and Law Enforcement Act of 1994*.

Commissioner Navarro said in terms of background, the efforts of the Producer Licensing (D) Task Force arose out of the life insurance industry's recent efforts on racial equity, which include a focus on second-change hiring within the insurance industry. He said this led some life insurance companies to focus on the 1033 waiver process and whether the process could be improved. NAIC staff worked with a small group of state insurance regulators and representatives from Prudential to draft the template as a resource document for the states. Commissioner Navarro said the template is not intended to be a list of best practices or minimum standards since each state will have its own process for the review of 1033 waiver requests. He said NAIC staff will be circulating the draft template to the Antifraud (D) Task Force, the Producer Licensing (D) Task Force, and all interested state insurance regulators and interested parties for comment through January.

### 5. Heard an Education Update

Commissioner Navarro said the Task Force has made great efforts to bring additional training that was requested by NAIC leadership. He said the Task Force created a Northeast Zone fraud training, which took place in October, in addition to updating training and education courses available through the NAIC. He said as we move into 2023, the Task Force encourages state insurance regulators and industry to provide suggestions for additional training.

### 6. Received a Report from the Improper Marketing of Health Insurance (D) Working Group

Swanson said the Working Group has had a successful year so far with its efforts to eliminate the improper marketing of health insurance. He said the Working Group has maintained its monthly closed conference calls and open meetings when appropriate. He said the Working Group has begun working on its charge to "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." He said the Working Group held an open conference call on Nov. 3 (Attachment XX) to review draft language to amend the *Unfair Trade Practices Model Act* (#880) and adopt a Request for NAIC Model Law Development to amend Model #880. He said before the Working Group can continue the NAIC Model Law Review Form for Model #880 must be adopted by the Executive (EX) Committee. He said the Working Group will continue its efforts once this form has been adopted. Swanson said the Working Group will meet this afternoon on Dec. 14 (Attachment XX) to discuss public regulatory actions involving improper marketing of health insurance and receive comments from interested parties.

### 7. Heard Reports from Interested Parties

#### a. CAIF

Matthew J. Smith (Coalition Against Insurance Fraud—CAIF) said on Sept. 8, the CAIF hosted a webinar on a study regarding workers' compensation fraud. He said this was a highly attended webinar. He said the CAIF participated

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in the NAIC Insurance Summit in September regarding a session on natural disasters, the Annual Fraud Directors Conference, the International Global Insurance Fraud Summit, the Nebraska Department of Insurance (DOI) Fraud Conference, the Montana Fraud Meeting, and the NAIC Northeast Zone training. He said prior to the Fall National Meeting, the CAIF held its end-of-year meeting. He said the CAIF has three states left to join its membership. He said Hawaii, Indiana, and South Dakota are the remaining states to join.

### b. HFPP

Shaun O’Neill (Healthcare Fraud Prevention Partnership—HFPP) said the HFPP has worked on launching its new redesigned secure portal producing data analytics on traditional health insurance claims. He said the HFPP has worked with the NAIC, the CAIF, the National Insurance Crime Bureau (NICB), and National Health Care Antifraud Association (NHCAA) to provide useful data to state insurance regulators. He said the HFPP has determined that it will focus on two initiatives in 2023: 1) revising how analytics are reviewed concerning partners in the same class with high and low exposure; and 2) a data project with an aggregate medical database and medical warehouse.

### c. NICB

Richard DiZinno (NICB) said the NICB has been engaging in operational and legislative issues. He said its key services include a geospatial intelligence center, case preparation, vehicle reparations, an insurance fraud prosecutors conference, fraud reporting, and vehicle identification number (VIN) verification. He said in its efforts for public awareness, the NICB held a successful Contractor Fraud Awareness Week May 23–27. He said moving into 2023, the NICB will focus on towing issues and other legislative proposals to assist the states.

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

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