Geofencing turns advertisements into a tool to fight against insurance fraud

By Denny Jacob | April 21, 2020

Wherever you look, there’s sure to be an advertisement not too far away. Whether you’re outside, taking the train or just browsing the internet, advertisements are engrained in our society. Unfortunately, the advertisements people encounter in their daily lives can often be irrelevant and feel invasive. As a result, people rely on ad blocker tools or just tune them out altogether.

In the insurance industry, advertisements play a large role in brand recognition, outreach to potential customers and much more. But it’s also being used in the fight against insurance fraud thanks to geofencing. Geofencing is when a digital “fence” is created around a location, and when someone enters, targeted advertisements appear on their smart device.

In 2000, the Coalition Against Insurance Fraud came together to start the New York Alliance Against Insurance Fraud (NYAAIF). They later brought on Barry Carbaugh, president of the Barry Group, who has been working on the organization’s marketing campaign for 20 years.

This year, Carbaugh suggested using geofencing in places like health care clinics, drug stores or auto repair shops where consumers are frequent targets of insurance fraud.

To illustrate how effective geofencing can be, Carbaugh explained how it would work in a motor vehicle office as an example. An individual may register their car in Albany, N.Y., despite living in New York City — a clear case of insurance fraud.

With geofencing, which is enabled when a user has their location services on, an individual would see anti-insurance fraud advertisements from the NYAAIF that are specific to the location they are visiting — like a motor vehicle office — appear on a website. The ads would tie to NYAAIF’s annual campaign and include the “Fraud the Crime You Pay For” logo. “That’s what triggered the fact that you’ve gotten that ad,” says Carbaugh.

The NYAAIF is focusing on effectiveness in their plans to rein in insurance fraud. The plan is to target three different locations in New York.

“We’re excited about really taking advantage of this technology to increase the impact of our message,” says Carbaugh.

The NYAAIF’s campaign theme line this year is “Insurance Fraud is Stealing. Plain and Simple!” With the help of geofencing, personalized advertisements will reach a crafted target audience in a plain and simple manner.

“Consumers are being bombarded by so many unwanted messages that they’re reaching message exhaustion and tuning out ads. Geofencing breaks through that clutter. It delivers important anti-fraud messages straight to people when and where they’re most receptive,” Jim Potts, chair of the NYAAIF, vice president of the special investigations unit for New York Central
Mutual Fire Insurance Company, said in a statement. “Geofencing is a precision-guided message missile. We’re reaching people when anti-fraud messages mean the most to them and can have the most impact.”