A NEW PATH FORWARD

Executive Director, Matthew J. Smith, Esq.

When we began the idea for this new publication, no one had heard of COVID-19. No doubt, it will be easy to recall when we published this first edition of The Coalition Quarterly.

Many of you are long-time subscribers to Outreach! targeting our public information programs and Advocate! featuring updates on our government affairs efforts.

With the addition of our new Legal Affairs Committee in 2019, we discussed adding a third publication, Juris!. Instead we decided upon this new format. Rather than separate publications, each is now a section of this newsletter. We realize your time is valuable and your inbox overflowing. Sometimes less truly is more.

You’ll find news and analysis of our public outreach, government and legislative efforts and judicial advocacy combined ... plus more useful Coalition news and analysis to keep you informed.

This is our way to keep you better informed and updated, make your participation in the Coalition even more vital, and share exciting news with you on a quarterly basis. Let us know what you think. We are here to serve you as our members and carry our combined anti-fraud message across the nation. We thank you for your support.

Sincerely,

Matthew J. Smith

WHAT’S INSIDE:

Coalition Highlights - 2

Outreach! - 3
Tom Donahue, IFPA

Advocate! - 4
Catherine A. Rankin, Esq., State Farm

Juris! - 5
Ross O. Silverman, Esq., Katten Firm

Around the Coalition - 6, 7
Fighting Fraud In Action
COALITION HIGHLIGHTS

New Addition

In February we welcomed A.D. DuVall as our Deputy Executive Director. A.D. oversees the Coalition’s many business functions. She joins our team following work with the After-School All-Stars and the Thurgood Marshall College Fund.

Same Building, New Suite

The Coalition moves to new offices effective May 1. We aren’t going far, though. New suite, same street address: 1012 14th Street, N.W, Suite 1105, Washington D.C. 20005. Please update your records. If you plan to be in the D.C. area, let us know and stop by to say “hello.”

Combatting Fraud on a Global Stage

Two keys to combating insurance fraud globally: Better international laws and standards to support exchange of data and information … and global best practices to ensure AI, big data and predictive modeling better protect consumers from insurance scams. Matthew Smith shared his vision in a presentation at a global insurance-fraud symposium in Paris — before the pandemic. It was sponsored by the French anti-fraud organization ALFA and Coalition member IBM Analytics.

Midyear Meeting Cancellation

Sadly, the virus forced us to cancel our 2020 Midyear Meeting in Orlando. While we’ll miss everyone in June, join us for our Annual Meeting set for Dec. 14-15 in Crystal City, Va., directly across from Washington, D.C. Registration will open in September.
OUTREACH!

Tom Donahue, IFPA
Chair, Public Information Committee

COVID-19 has invaded America with a microbial vengeance. Thousands of scams descended on consumers, preying on their anxiety about infection and social isolation. Many are insurance scams trying to steal medical and financial identities. Bogus cures, fake COVID-19 insurance and sham home tests have been foisted on people for weeks. Seniors and their Medicare accounts are especially targeted.

The Coalition and our partners are responding forcefully. Informing consumers with vigorous anti-fraud alerts daily … and helping unify fraud fighters to work in greater national coordination. “Stop the Spread” is our campaign’s brand name and rallying point.

- A national consumer webinar sponsored by the Coalition, our partners AARP and NICB was scheduled for April 22. Register here.

- National planning must accelerate to head off a potential surge of bogus claims by hard-pressed consumers if America’s COVID-19 shutdown continues unabated. That was the core message of the Coalition and fellow national anti-fraud leaders in a history-making webinar. It was the largest anti-fraud event in U.S. history, attended by nearly 3,000 fraud fighters. The webinar was sponsored by the Coalition, IASIU and NICB on March 31.

- The Coalition’s online COVID-19 resource center is a continually updated hub with the latest news and analysis on pandemic scams. You’ll also find downloadable infographics and other consumer tools. Check back often for the latest.

- A steady flurry of consumer scam infographics … news releases … and other useful info continues to flow to the news media, and directly to consumers via social media. Forbes Magazine and other news outlets quoted the Coalition. North Carolina’s insurance commissioner Mike Causey partnered with the Coalition on a statewide news blitz on COVID-19 scams. Other state insurance departments are re-posting Coalition infographics and news releases statewide.

- Our Twitter, Facebook and Instagram accounts push out the latest pandemic-fraud news and trends daily to consumers — and industry insiders. A consumer Twitter chat is scheduled for May 28, with NICB and IASIU.

- “In these unusual times, however, a very practical issue exists of how the insurance fraud investigations will be conducted during this time of high-risk exposure,” Matthew Smith writes in a JIFA article. “What we do in the coming months will serve as a model for future fraud fighters when the next pandemic strikes … be it a year or decades in the future. While we must strive to get it right, even the mistakes we may make now will still serve as a valuable lesson for future improvement.”
Advancing legislation in a presidential election year is never easy. A worldwide pandemic can make matters even worse. Yet the Coalition is resolutely pursuing our 2020 legislative priorities throughout a very hectic first quarter, and beyond.

Some 130 fraud bills are filed across the U.S. so far in 2020. Most importantly, 14 new laws have been enacted, in spite of everything else going on. 21 bills were defeated or stalled.

By far the largest number of bills filed this year have dealt with “surprise” and “balanced” medical billing. Both issues also have surfaced in a move to contain high medical costs due to COVID-19.

Of crucial importance to the Coalition is making certain that states provide adequate funding to protect consumers by investigating insurance fraud. A new law has strengthened fraud-bureau funding in Washington state and West Virginia. There’s also broad support for a Louisiana bill to extend funding for anti-fraud efforts through 2024.

Here’s a brief recap of key highlights so far in 2020:

- **Iowa** HF 426. Grants the insurance fraud bureau full law enforcement authority, and authorizes the commissioner to include fingerprinting and background checks as requirements for securing an insurance license.

- **Kentucky** HB 313. Protects confidentiality of sharing documents with the insurance commissioner for anti-fraud efforts. The law also prohibits the commissioner and DOI employees from being called as witnesses or producing confidential records in civil litigation.

- **Tennessee** SB 2849. Grants the insurance commissioner full authority to fine up to $1,000 per occurrence for preparing or issuing a certificate of property-casualty insurance with false or misleading information about the underlying policy.

- **Utah** HB 199. Protects consumers with AOB reforms that prohibit rebates of deductibles. Also requires written contracts with full disclosure of all costs and work to be performed.

**Regulatory reforms**

We also continue our efforts to pursue regulatory reforms and improvements. All anti-fraud eyes remain fixed on California, where proposed new SIU regulations have been debated for more than a year. The Coalition filed another comment letter with our suggested revisions in February. The final regulations may still be on track for release in the coming months.

We all know life will return to whatever our new normal may be after COVID-19. Rest assured the Coalition will be there, leading the battle to make sure legislators and regulators hear our voice for stronger anti-fraud protections.
JURIS!

Ross O. Silverman, Esq., Katten Firm
Legal Affairs Committee Chair

The new year marked the naming of the first chair of the Coalition’s newest committee. Ross Silverman of the Katten law firm steps into this important new role.

The committee has hit the ground running in 2020. Under Ross’ direction, the nine member law firms selected for the committee are dividing up the states across the nation. Their goal is to update and help maintain the Coalition’s insurance fraud regulatory database. Coalition members will have the most-up-to-date information available on regulatory provisions and changes under an initiative by this new committee in 2020.

Amicus briefs
Responsibility for our amicus curiae “friend of the court” briefing program is shared among advisors who review cases to consider, and by our Government Affairs Committee, which provides input on key anti-fraud statutes and regulatory issues before the courts. It all comes together in a well-researched and drafted brief ... especially when we’re speaking on behalf of our profession to the nation’s state supreme courts and federal courts of appeal.

After major court wins from New York to Washington state last year, our first amicus case in 2020 is now filed in Illinois.

The issue is whether the state itself must incur monetary damage before authorizing a whistleblower to sue under the Illinois Insurance Claims Fraud Prevention Act. The answer is “No,” the Coalition argues in an incisive brief accepted by the state Supreme Court. We expect a ruling in late 2020 or early 2021.

States have a strong interest in protecting residents from the financial and personal damage insurance fraud inflicts, the Coalition asserts. Upholding anti-fraud laws and protecting residents is a strong legal basis to empower a whistleblower filing — whether or not the state has incurred its own financial loss.

Our Legal Affairs Committee has risen to the occasion in guiding our amicus efforts. Thanks again to the Katten firm and attorneys Ross Silverman, Jonathon Marks and John Reale for their astute work on this brief.
AROUND THE COALITION
FRAUD FIGHTING IN ACTION

Anti-fraud Success Model

Pennsylvania continues seeing gains in fraud enforcement and prosecution. That’s the core message of the annual report of the Pennsylvania Insurance Fraud Prevention Authority. How did the state agency’s grantees prosecute 416 suspects and return more than $11 million to insurance-fraud victims last year? Even more, increase health-fraud arrests 264%? It’s a useful case study and insight into a successful anti-fraud model by a prominent anti-fraud state agency.

Website Redesign

A fresh new look comes to the Coalition’s well-respected website in a redesign to be unveiled this summer. Info will be easier to find … you’ll discover many useful new features. You’ll also gain faster access to popular features such as state fraud laws, consumer videos and infographics, and updated state regulations. You’ll hear much more during the upcoming rollout!

Auto Premium Givebacks

Auto insurers are voluntarily returning more than $10.5 billion to drivers through premium refunds and renewal rebates because fewer vehicles are plying the roadways due to COVID-19 quarantines.

Regulators should require the premium givebacks, two national consumer groups urged before the insurers announced their moves. Holding onto premiums would be tantamount to fraud, the groups said in a letter to state insurance commissioners before the insurer returns began. Helping propel the movement were the Consumer Federation of America (a Coalition co-founder) and the Center for Economic Justice.
AROUND THE COALITION-FRAUD FIGHTING IN ACTION.

Speaking Out in New York

The New York Alliance Against Insurance Fraud held its annual meeting just before the nation went into lockdown. The Alliance’s successful 2019 statewide ad campaign You Pay, Every Day, Every Way, was reviewed for attendees. The 2020 campaign was unveiled, though placed on hold as the Alliance quickly started work on a revised consumer campaign to address COVID-19 scams.

LET US KNOW WHAT YOU THINK

We hope you enjoy and find this inaugural issue of The Coalition Quarterly useful. We value your feedback and suggestions. We want to provide you the information you need, in the easiest format possible. Please send your comments and suggestions to: matthew@insurancefraud.org.