National Conference of State Legislatures

Communications, Financial Services & Interstate Commerce Committee

Alan Haskins & Tim Lynch
NICB Government Affairs Directors

August 9, 2016
Key Facts

- Non-profit organization
- 1,100 P&C insurance companies, rental car companies and self-insureds
- 104-year history of established cooperation with federal, state and local law enforcement agencies
- Corporate Headquarters – Chicago
- 380+ employees (investigators - former federal, state and local law enforcement)
- 2016 Revenue – $50M
Mission

- To lead a united effort of insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through Data Analytics, Investigations, Training, Legislative Advocacy and Public Awareness.
How Much Fraud Are We Talking About?

- Industry estimates that fraud against property and casualty insurers cost Americans $30 billion* per year...or in other words:
  - $82.2 million a day
  - $3.4 million an hour
  - $57,000 a minute
  - $951 a second

*Insurance Information Institute
Example of Fraud – June 2016

- $900 Million Health Care Fraud Case
  - Medicare Fraud Strike Force – Department of Justice, Health and Human Services
- $38 Million billed to one clinic from Medicare/Medicaid
- 300 individuals charged, 60 medical professionals
- Florida, New York, Michigan, California, Texas, Illinois
- Largest Takedown in history
  - Home Health Care particularly vulnerable to fraud
NICB Business Model
2015 Questionable Claims: By State

Legend
- 66 - 277
- 278 - 1,022
- 1,023 - 2,146
- 2,147 - 3,780
- 3,786 - 23,280

*Not all Questionable Claims contain sufficient information to be mapped
Legislative Advocacy

- Promote statutes, regulations and policies at all levels of government to help in the prevention, detection and defeat of insurance fraud
Who We Work With

- Member Companies
- Insurance Trade Associations
- Prosecutors
- State Insurance Departments
- State Lawmakers
2016 State Legislative Issues

- **AL:** New cargo felony law
- **CA:** Expanding cargo theft statute to include agricultural products
- **IL:** Increased penalties on abusive towing practices
- **MO:** Legislation to combat rogue towing operations
- **SC:** Legislation allowing for grand jury investigative powers, increased penalties
2017 State Legislative Issues

- AZ: Auto Glass Repair
- FL: Assignment of Benefits
- KY: Roofing/Contractor Fraud
- MS: Cargo Theft
- NV/SC: Resources for AG Fraud Unit
- PA: Towing Abuses
- TX: Roofing/Contractor Fraud
NICB Anti-Fraud Issues

- Resources
  - Fraud Authorities
  - Dedicated Prosecutors
- Felony fraud laws
- Cargo theft statutes
- Solicitation abuses
- Rogue towing
- Roofers/contractors
Insurance Fraud Summits

- South Carolina – February 2016
  - 150 attendees
  - Media Coverage
  - Legislative Recommendations
- Next Insurance Fraud Summit
  - Albuquerque, New Mexico – October 12, 2016
How NICB Can Help You

- Data & Expertise
- Issue Leadership & Credibility
- Information from Other States
- Assessment of your state’s anti-fraud environment
NICB Government Affairs Team

Judy Fitzgerald
Vice President

Alan Haskins
Director

Tim Lynch
Director
NICB Government Affairs

- Visit our booth - # 626

Questions?