

The Coalition Quarterly

Advocacy • Information • Outreach

Winter 2023 Edition



NEWS & FEATURES



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EXECUTIVE DIRECTOR'S CORNER

Matthew J. Smith, Esq.

Dear Coalition Members & Friends,

Welcome to our first edition of the *Coalition Quarterly* for 2023. And a very special year it is as we celebrate the Coalition's 30th Anniversary! One of the things we pride ourselves on is always looking and building to a stronger future. However, there are special times when looking back is necessary, important and fun. This year is one of those. We want to showcase for all of our members the incredible impact your Coalition has had in the fight against insurance fraud during three decades of hard work and dedication. But change does not happen without people. So, we want to tell you their stories and invite some of you to remember old friends and times gone by, and for many others to introduce you to the leaders who not only built and sustained the Coalition but who, in so many ways, built the SIU and anti-fraud programs in place across the U.S. today in both the public and private sectors. We have a tremendously rich story and look for it to be told throughout the year in many exciting and fun ways.

2023 will also be a year when we make tomorrow's history. In addition to our anniversary celebration, we have an action-packed year ahead, and it is already off to a rapid start. Many of those plans are outlined here in *CQ*. Here are some previews:

- We have already partnered with the Idaho Department of Insurance to provide them with 14 newly-branded *Coalition videos* for their use to help inform and educate their state's consumers about insurance fraud.
- The Coalition is also "hitting the road" with upcoming meetings and presentations spanning the nation from the West to the East Coasts and numerous stops in between. Along the way we will interact with members, discuss new anti-fraud bills with legislators and help our nation's insurance regulators in their anti-fraud efforts.
- Speaking of legislation, there have already been more new bills filed in 2023 than we have seen any recent year. As of today, we are monitoring 40 anti-fraud bills across the nation. As usual, most are good proposals which will support, but a few already filed measures raise concerns and we will endeavor to make sure those bad bills do not become bad laws.

- Our Legal Affairs Committee continues to provide us tremendous support through our amicus curiae or “*friend of the court*” briefing program. Right now we have five pending cases and the Florida Court of Appeals just granted our petition to file our brief in a very important case there dealing with immunity for reporting of suspected insurance fraud.

- Every year we are committed to pushing out outstanding research studies. The Coalition remains the only organization which does this type of in-depth research and analysis. In February we launch an in-depth study addressing the psychology of fraud. It will be a multi-tiered study analyzing consumer views toward insurance fraud — on a deeper basis than our every 10-year “*Four Faces of Fraud Study*” — and also featuring interviews with convicted fraudsters and the stories behind their crimes, both large and small.

All of this, and more, you will find in this edition of *CQ*. Enjoy learning more about your Coalition. Both our rich history and the many exciting things planned ahead as move into our next decade of leading in the fight against insurance fraud.

With thanks and blessings to all,



Matthew J. Smith, Esq.
Executive Director

Special Note:

The Coalition will be reaching out to our members throughout the year to provide memories of their successes with the Coalition and how becoming a member has assisted in elevating their reach and also how it has helped in their organization’s continued efforts in fighting insurance fraud. We also welcome your favorite memories of your time with the Coalition. Please contact joseph@insurancefraud.org for more information or to submit your 250 - 300 word “memory lane” piece.



A BIG THANK YOU TO ALL OF OUR MEMBERS!



The 2022 annual conference is now in the record books and what a gathering it was. Closing out the year with a magical wave of first-time moments for the Coalition was nothing less than spectacular. Breaking another attendance record as we continue to grow and provide world class content to our elite fraud fighting members. We appreciate and thank our sponsors for this incredible event. An amazing accomplishment was announced as we now have 42 new members that joined in 2022 making our numbers reach an impressive 281 members at the time of our Annual Meeting.



We had 3 big first “firsts”! We announced the California Labor Commissioner joining, and a great presentation given by the Commissioner Lilia Garcia-Brower was very impressive and well worth the attention given by all. The second “first” for the Coalition was having the union organization, The United Brotherhood of Carpenters and Joiners of America represented by Matthew Capece join us. And the third “first” was an exciting international one, Maxence Bizien, Director and his organization ALFA is the very first international associate member of the Coalition.

Also 3 big announcements for the Coalition were made making everyone aware that Tracy M. Thompson Esq. former NJ Insurance Fraud Prosecutor is the new Deputy Executive Director, Kendra Smith’s new title is Member Services & Events Manager and the Coalition bid farewell to A.D. DuVall who has moved onto another career track with the D.C. government. As we have been mentioning we look forward to celebrating our grand 30th year filled with stories by many members and past leaders.

Please read the full recap which also contains a look back video of the [2022 Annual Meeting here](#). It shares the full experience for those remembering their great time and for those that were not able to make it this past December.

We look forward to seeing everyone in June in Orlando on June 5th & 6th, where we will have a great line-up of incredible new speakers, updated committee reports and another special reception.



OUTREACH

The Coalition works tirelessly to expand the message internally and externally, working alongside members and committees. Here is a quick update on certain items that we worked on during the last quarter of 2022 while simultaneously working on preparing an amazing Annual Conference for everyone.



Hall of Shame - The Coalition showcased the despicable top 10 fraudsters of 2022 that were selected by the PIC committee. We encourage you to read the [full stories here](#) and watch the video of each ridiculous attempt to get away with insurance fraud. The *HOS* collection is the most anticipated publication for *PC360*. The write-up on these heinous criminals has been featured in the Nov/Dec issue of *PC360*. [Watch the video here](#).

The *2022 Prosecutor of the Year* award luncheon was both well deserved and emotional as Asst. U.S. Attorney for the DOJ, Jay Hoffer shared his winning cases with attendees while his lovely wife and daughter accompanied him who at times could not contain their pride. Tom Donahue the Public Information Committee Chair introduced Jay and presented the coveted award.



PhotoFAX, in collaboration with the Coalition, has delivered the last *Steve* video of the series. It certainly has been a hard lesson for poor *Steve* who once thought that committing a slip and fall insurance scam would put him on easy street but instead put him out in the street by family and friends. See for yourself how *Steve* is now doing. [Watch here](#).



Blogs are open for 2023 submissions, please email Joseph@insurancefraud.org to submit yours.

JIFA articles are currently being submitted for review, if you are interested in writing a *JIFA* article please email Joseph@insurancefraud.org.



The Coalition worked closely with *SIUtoday* to promote the story of on the new \$308.6B cost of insurance fraud on the U.S. economy which graced their cover in their November issue.



Infographics are currently in development, the latest being prepared is highlighting the topic of Public Adjusters.

For a listing of infographics go here ... [Coalition Infographics](#)



The Coalition was thrilled at a recent opportunity with Julie Robinson, Public Information Specialist for the Idaho Department of Insurance who reached out to the Coalition to assist with branding 14 videos for the [DOI Idaho](#) in late December 2022. The videos were edited to include both the DOI Idaho and Coalition's logos making it a co-branded effort. They will promote the spots throughout 2023. Their request was completed within 24 hours and were grateful for the quick turn around that was provided by the Coalition. If your organization would like co-branded creative work, please reach out to Joseph@insurancefraud.org.



AS OF JANUARY 2023 WE NOW HAVE ...

»»»»» **283** «««««

OUR NEWEST MEMBERS SINCE THE 2022 ANNUAL CONFERENCE:



MEMBERS THAT JOINED IN 2022:





1 “WHO ME?” THE WHY & HOW OF INSURANCE FRAUD STUDY

The Coalition is moving forward with a developed a timeline and a two-tier study plan for the first study in 2023 in cooperation with Verisk.

The first “tier” will address consumer attitudes toward insurance fraud, Persons who otherwise would not commit a theft or similar criminal act will often nevertheless engage in some form of insurance fraud. This occurs in both first, and third, party claims as well as through parties providing insurance claim-related services such as public adjusters, attorneys, physicians and body shops among others.



This study is designed to explore why insurance fraud may not be viewed as “the crime we all pay for.” The study will delve on two separate levels into why persons are willing to commit insurance fraud and how they “justify” doing so is not really a crime.



The second “tier” will consist of in-depth interviews with convicted insurance fraudsters. We plan to target 8-10 such persons and work with courts and parole officials to seek professional interviews about what led to their actions and how they justified committing insurance crimes.

We will also make sure these individuals represent a cross-section of different lines of insurance and levels of crimes ranging from organized ring activities to individual policyholders. We plan to release this study at our 2023 Midyear Membership Meeting.

2 UNLOCKING THE KEYS TO FUTURE SIU SUCCESS STUDY



Also the Coalition has been in discussions with another member, PwC, to conduct our second study of 2023 which is designed to be a far more detailed analysis of how insurers may most effectively utilize human, financial and data resources to effectively battle against insurance fraud.



As we begin a new year, we wanted to highlight what was accomplished in 2022 by the Coalition and the Government Affairs Committee, along with what lies ahead in 2023 on the anti-fraud legislative front.

- In 2022, we tracked 192 bills but noticed that an election year and political realities drastically impacted legislative efforts with only 36 new anti-fraud laws enacted. A snapshot of key victories included expanding immunity protections for insurers in California, placing restrictions on access to crash reports in Florida while protecting insurers' ability to gain access to adjust losses, and increasing the attorney general's power to bring criminal fraud charges against scam tow operators while creating a new civil action for recovery in Virginia.

- The committee also reviewed and provided feedback to the Legal Affairs Committee on the model *qui tam act*. This proposal was presented to membership and voted down.

Additionally, the committee also sought input from our members to identify proposed 2023 legislative priorities, which were presented to and accepted by the Executive Committee. The 2023 legislative priorities include focus on:

- monitoring data privacy and cybersecurity laws to ensure that these laws do not unduly restrict the ability to utilize data for the proper investigation of insurance fraud both by insurers and law enforcement agencies,
- continuing our partnership with APCIA and the American Trucking Associations related to towing fraud overall with a specific focus on commercial vehicle towing,
- continuing efforts for more states to adopt Staged Auto Accident laws to make engaging in or assisting in committing a staged accident a specific crime,

- supporting the National Association of Public Insurance Adjusters (NAPIA) to encourage the NAIC to re-open the Public Adjuster Licensing Model Act,

- maintaining joint efforts with Honda America to ensure the passage of counterfeit airbag laws in all 50 states,

- passing anti-fraud laws specifically related to limiting and restricting auto glass solicitation efforts,

- establishing fraud bureaus in all 50 states.

- Looking forward into 2023, we are now tracking 25 anti-fraud bills and can report that one has already been enacted. The Illinois legislature took very little time to enact H5471, a carryover from last year that was signed by the Governor on 1/10/2023. This bill requires a public adjuster to include their email address on all contracts and under certain conditions, provide an exact copy of that contract to the insurer. This bill also allows a public adjuster to provide emergency services before a written contract with the insured has been executed. Several of the still pending bills deal with consumer protection issues involving the underwriting process, consumer data privacy, and health care data protections. Of note, Indiana's pending consumer data protection act includes what appears to be a suitable insurance fraud exception and will allow for the investigation of fraud. This key fraud exception will be vital as we track the momentum around other consumer data privacy and protection legislation. Other pending bills for 2023 deal with public adjusters, towing, health care data, online motor vehicle insurance verification, telematics use in underwriting and claim decisions, requiring medical records authorizations on workers compensations claims, runners, identity theft, auto appraisal clauses, and a possible new false claims act. The new year has already presented plenty of opportunity to impact the anti-fraud landscape and the Coalition's Government Affairs Committee welcomes our member feedback on any of the above-mentioned issues or others that may arise.

JURIS

The Coalition's proposed *Model Qui Tam Act* (whistleblower law) was defeated by one vote at the 2022 Annual Meeting in Washington, D.C. Insurance organizations opposed the measure as potentially leading to more litigation, and feared legislators altering the model language. This two-year process that began with several insurance members requesting the Coalition to take on this project is now closed. At the Executive Committee's request, the Legal Affairs Committee drafted the model. Following the vote and



the Annual Meeting it was announced the Coalition will not advance, provide any model act language nor play any advocacy role, on potential future bills. This was also reported to regulators at this week's NAIC meeting. As was also reported, we do believe several states are considering introducing their own qui tam anti-fraud bills in 2023. If any members received communications implying anything

different, this has been, and remains the Coalition's position and we consider this matter fully closed based on the vote of the Board.

Our *Amicus Curiae* Program Ongoing

- *Frazier v. Hanover Insurance*. This case is pending in the Florida Second District Court of Appeal. It involves key issues of immunity for reporting insurance fraud and conducting independent investigations by the state DOI and the local district attorney's office. Hanover reported suspected insurance fraud from an auto accident to the [Florida Division of Investigative and Forensic Services](#) (DIFS), which then did a separate investigation. Based on that investigation, DIFS referred the case to the Hillsborough County District Attorney, which also did an independent investigation resulting in charges against Mr. Frazier, who was found not guilty. He then sued Hanover and prevailed at the trial court level with a jury verdict exceeding \$120K. We will argue on appeal that Hanover bears no liability, as clearly a good faith basis existed to suspect and report insurance fraud. This case was referred by Hanover, and the [Greenberg Traurig law firm](#) has agreed to represent the Coalition.
- Our newest case is [People ex rel. Allstate Ins. Co., et al. v. Discovery Radiology Physicians, P.C., et al.](#), and [People ex rel. Allstate Inc. Co., et al. v. OneSource Medical Diagnostics, LLC, et al.](#), which are on appeal to the [California Second District Court of Appeal](#). The trial courts found that the [Insurance Frauds Prevention Act](#) does not apply where the only allegation is the corporate practice of medicine. In other cases, this issue has been combined with other problems, such as billing for services not rendered. We will argue that any fraud violation, including the corporate practice of medicine, should allow for action under the IFPA. Allstate referred this case to us, and the [Katten firm](#) has agreed to represent the Coalition.

In addition to these two new cases above, we currently have four other *amicus* cases pending before state and federal courts. This is a record number of cases for the Coalition and our members.

[Astellas Holdings v. Federal Insurance Company](#)

Mr. Kass and his firm Manning & Kass filed an *amicus* brief on behalf of the Coalition. This pending case is currently in the United States Seventh Circuit Court of Appeals.

[Taqueria El Primo LLC et al v. Farmers Group, Inc. et al.](#)

The Greenberg Traurig firm filed an *amicus* brief on behalf of the Coalition and is currently pending in the District Court. The Coalition has filed an *amicus* brief in support of Farmers motion for summary judgment.

[Liberty Insurance v. Techdan](#)

The Coalition has filed its brief in support of Liberty Insurance's position and is currently pending in the New Jersey Supreme Court.

[State of California et al Allstate v. Discovery Radiology Physical et al.](#)

The Coalition just accepted for an *amicus* filing is a *qui tam* case. The trial court granted motions regarding Allstate's complaint with prejudice. The issue is whether an intentional violation of California's prohibition on the corporate practice of medicine supports a violation of California's *qui tam* statute.



AROUND THE COALITION



• The Coalition was invited to speak by [CEFLI](#) on their webinar on Jan 11th by Carla Strauch, Senior VP Compliance & Ethics. The webinar was attended by hundreds who were taken through the history of the Coalition, the ground breaking studies that have been developed and the current ones for 2023. The jarring number of \$308.6B was the topic of discussion for several minutes of questioning by attendees who were curious about the breakdown and sourcing from various organizations that provided the crucial information that assisted in arriving at the newest number. Post webinar reviews stated very positive feedback from the attendees who mentioned wanting to know more about the Coalition and what is offered by becoming a member. Overall it was a success showing the attraction of an organization fueled by dedicated individuals in various organizations across our great nation and globally. Some attendees asked for a part 2 webinar which the Coalition would gladly participate in.

• In December we wished A.D. farewell, welcomed our new Deputy Executive Director, Tracy M. Thompson and recognized Kendra Smith aka “the glue” with the title of Member Services & Events Manager.

• A new corporate secretary was announced at the Annual Meeting, the first woman to have the role in Coalition history. Her name is Brenda Cude. We welcome her and look forward to the great work ahead.



• Recently on December 14th in Tampa Fla. the Coalition presented the newly released *Data Ethics Study* at the NAIC Meeting. The presentation kept the audience engaged with deep interest as the study was fueled by people who spoke up during the survey which took place a few months earlier who wanted to share their feelings on how their data should and should not be used. Protiviti and the Coalition worked closely to generate this report which is currently available on the Coalition’s website.

Upcoming First Quarter Events:

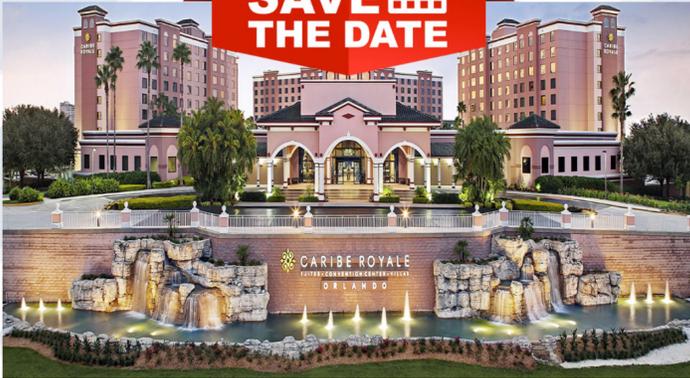


- *January - The Association of Certified Fraud Examiners (ACFE) meeting in St. Louis Mo.*
- *March - NCOIL in San Diego CA.*
- *March - 31st Annual Virginia Chapter IASIU Insurance Fraud Seminar*
- *March - Insurance Fraud Management (IFM) Conference in Carlsbad, CA.*
- *March - NAIC Summer National Meeting & Conference - Louisville Ky.*
- *March - LDI Conference 2023 - in Baton Rouge, Louisiana.*

REMINDER

★ **2023 MIDYEAR MEETING** ★

SAVE THE DATE



June 5 & 6, 2023

Caribe Royale - Orlando, Florida





The [Coalition Against Insurance Fraud](#) is Americas' ONLY anti-fraud alliance speaking for consumers, insurance companies, government agencies and others. Through its unique work, the Coalition empowers consumers to fight back, helps fraud fighters better detect this crime and deters more people from committing fraud. The Coalition supports this mission with a large and continually expanding armory of practical tools: information, research & data, services and insight as a leading voice of the anti-fraud community.

For additional information on the Coalition Against Insurance Fraud contact us at **202-393-7330** or info@insurancefraud.org





Coalition Against Insurance Fraud



The [*Coalition Quarterly*](#) is our way of keeping you updated and informed about the work of your Coalition.

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

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