Federal Insurance Office
U.S. Department of the Treasury

Federal Advisory Committee on Insurance (FACI)

Alan Haskins
NICB Director Government Affairs
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 and Vision

**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.

**Vision:** To be the preeminent organization fighting insurance fraud and crime.
NICB Disciplines

- Data Analytics
- Investigations
- Training
- Legislative Advocacy
- Public Awareness
NICB Business Model

Member Company SIUs

Claims

Insurance Company A

ISO ClaimSearch
Property/Casualty
All Claims Database

Federal, State, and Local Law Enforcement

Performance Outcomes

Insurance Company B

Claims

Insurance Company C

MEMBERSHIP
Active
Associate
LEMD
Vehicle Finance
Strategic Partners

Data Analytics
Investigations
Training
Legislative Advocacy
Public Awareness

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Strategic Goal

Intensify investigative efforts to mitigate the effects of major criminal activity with emphasis on medical fraud
Priorities

- Medical Fraud
- Commercial Fraud
- Vehicle Crime
2015 Questionable Medical Claims

Legend:
- **Gray**: 11 - 66
- **Green**: 67 - 246
- **Yellow**: 247 - 748
- **Orange**: 749 - 1,627
- **Dark Orange**: 1,628 - 6,686

*Not all Questionable Claims contain sufficient information to be mapped*
Medical Fraud Task Forces

2002
- New York
- South Florida

2007
- Houston, Texas
- Los Angeles, California

2008
- Metro D.C.

2010
- Central Florida
- Mid-Atlantic, New Jersey

2013
- Chicago, Illinois

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Training

- 940 classroom sessions
- 31.6K insurance industry / law enforcement
- 17K CE’s processed
- 55K students enrolled in 113K online courses
- 45K visitors to NICBtraining.org
Promote statutes, regulations and policies at all levels of government to help in the prevention, detection and defeat of insurance fraud
Public Awareness

- Work with local law enforcement, member companies and state trades

- Public Service Announcements
  - Nearly 50,000 airings in 2015
  - New PSAs every 6-8 months
  - Radio spots following disasters
  - Billboards
Public Awareness

- YouTube Channel
  - Towing Abuses
  - Flooded Vehicles
  - Cargo Theft
  - Staged Accidents
  - Storm Chasers
  - ....and much more
Public Awareness

Ad Equivalent Value (millions)

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<th>Year</th>
<th>Value (millions)</th>
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*1st Qtr.*
$1.2 trillion dollar net written premiums
$19.2 billion in premium tax
5,962 insurance companies
2.5 million employees

FBI estimates non-health care $40 billion; average family $400 - $700 increased premiums
FBI estimates health care fraud, both private and public $77 billion - $259 billion or 3%-10% of total health care expenditures
CAIF $80 billion

1992 III study estimated 10% of Property & Casualty incurred losses or about $34 billion.

2000 Conning study “a crime that costs the American public in excess of $96 billion.”
Technology Changes Everything

Anti-Theft Devices
Social Media
Security Cameras
Cellular Phone Data
License Plate Readers / Recognition (LPR)
Digital Intelligence
Data Analytics
Analytical Focus

Medical
- Analysis of medical billing data using the NICB AMD
- MedAWARE Alerts
- Topical whitepapers and videos

Commercial
- Analysis of neutral commercial claims in the areas of liability, property and work comp
- Identified leads are sent to the regional agents and result in ForeWARN Alerts to our members

Auto
- Using data from our data partners: CARCO, Experian, NASTF
- Provide leads on vehicles that have been VIN switched, cloned or identified as recent having keys cut to steal the vehicle

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Analytical Focus

**Statistical**
- Access to large data sets from ISO ClaimSearch for use in statistical gathering and a basis of analysis for all analysts

**Tactical**
- Analyze large volumes of case data for presentation to NICB Agents, LE and Prosecutors
Digital Intelligence

- **Digital Cat Response**
  - Aerial and street views and mapping
    - Before, during and after a catastrophe

- **Field Intelligence Collection**
  - Crowdsourcing leads to increased situational awareness
  - Crowdsourced 3D photo models
  - Creates a 3D environment from public photos
Mystery Device
Deciphering the Device

1. Mystery device key FOB relay box captures FOB signal
2. Key FOB relay box transfers signal to vehicle side relay box
3. Vehicle side relay box unlocks the target vehicle
4. The mystery device can now start the target vehicle

Deciphering the Mystery Device

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Making in Work
Starting Your Vehicle
Thank you for your time…

Questions?