

Federal Insurance Office U.S. Department of the Treasury

Federal Advisory Committee on Insurance
(FACI)

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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

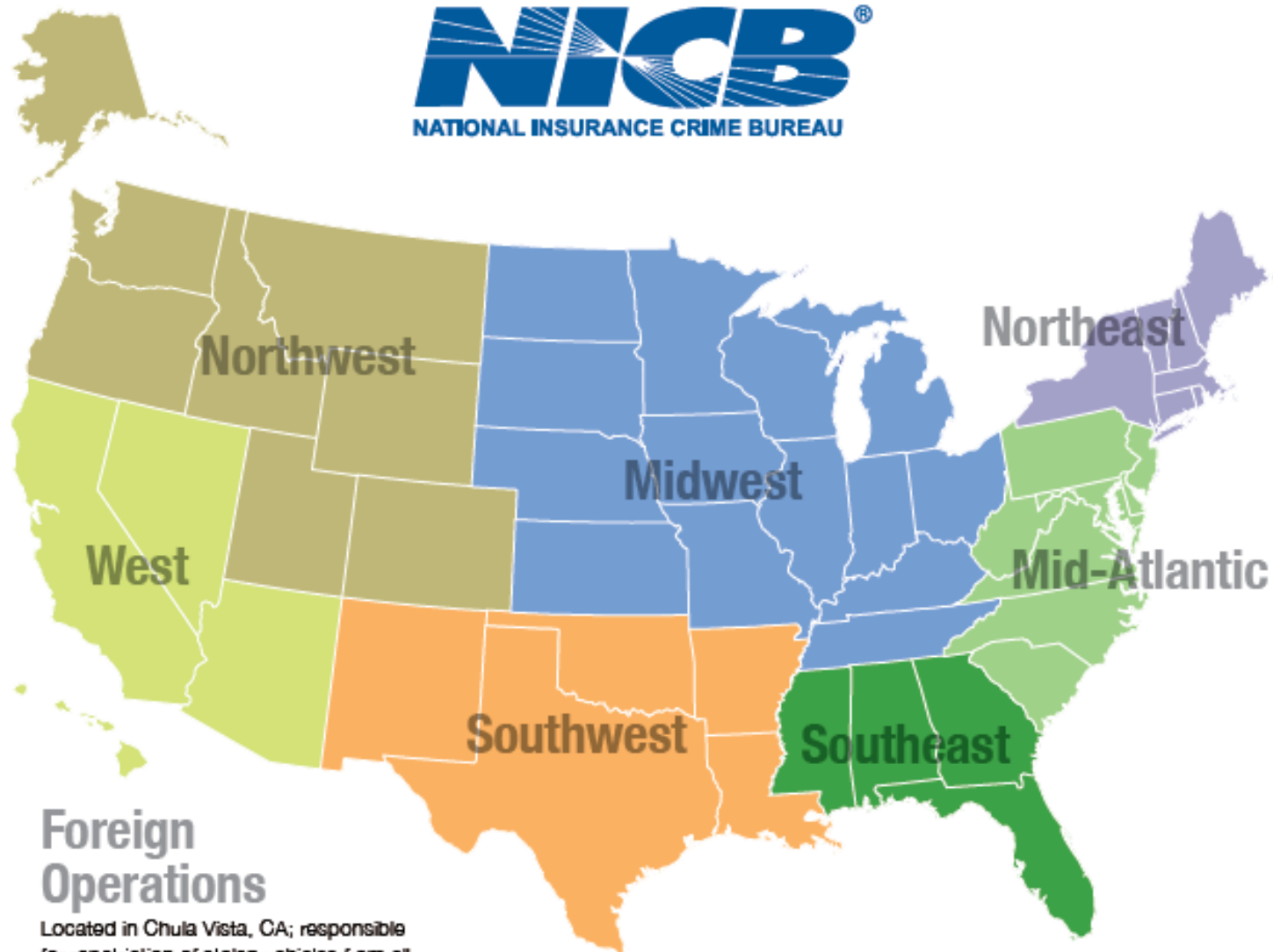
Mission and Vision

- **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



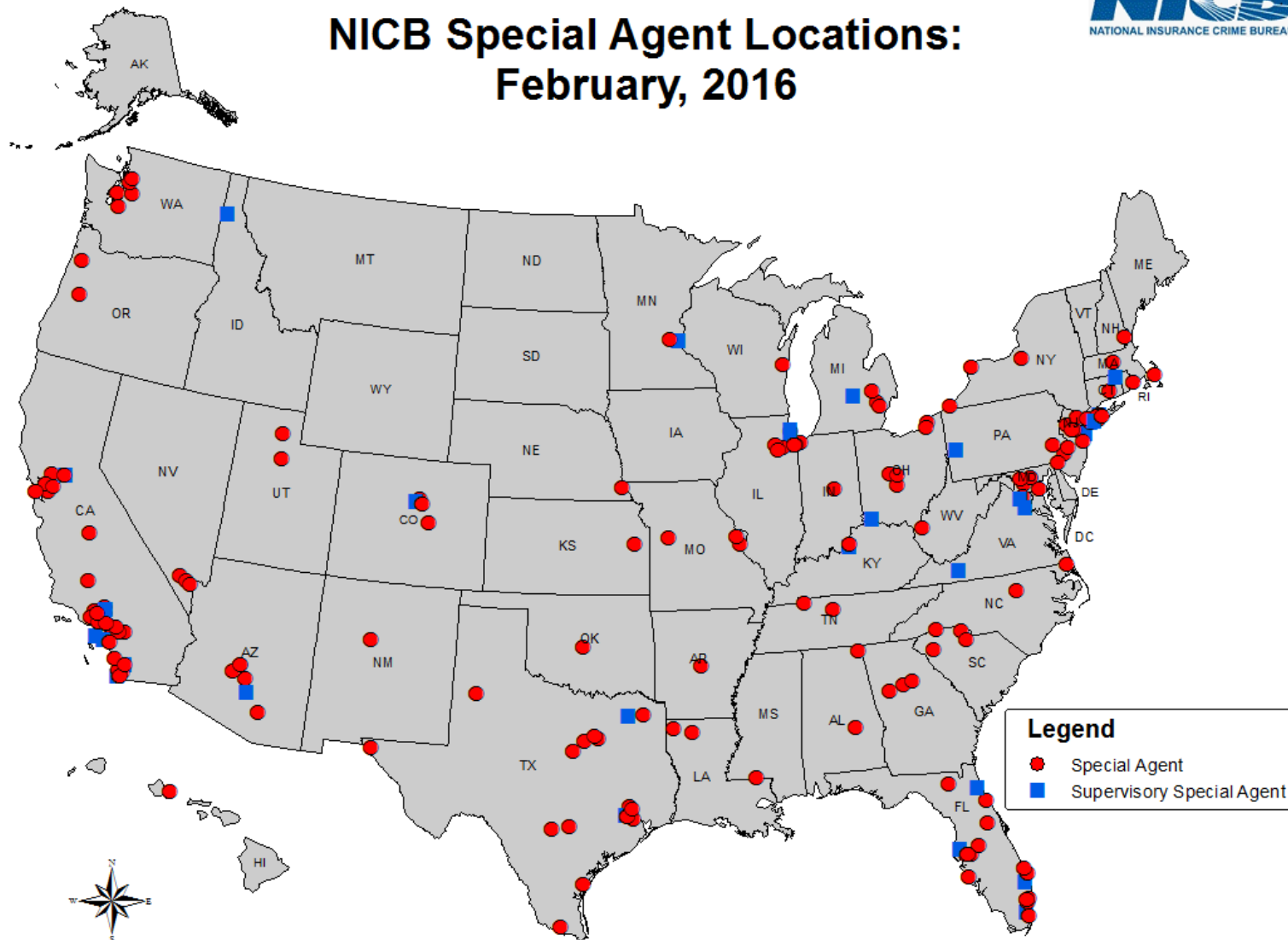
- Data Analytics
- Investigations
- Training
- Legislative Advocacy
- Public Awareness



Foreign Operations

Located in Chula Vista, CA; responsible for repatriation of stolen vehicles from all countries outside the U.S. border.

NICB Special Agent Locations: February, 2016



NICB Business Model



Strategic Goal

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

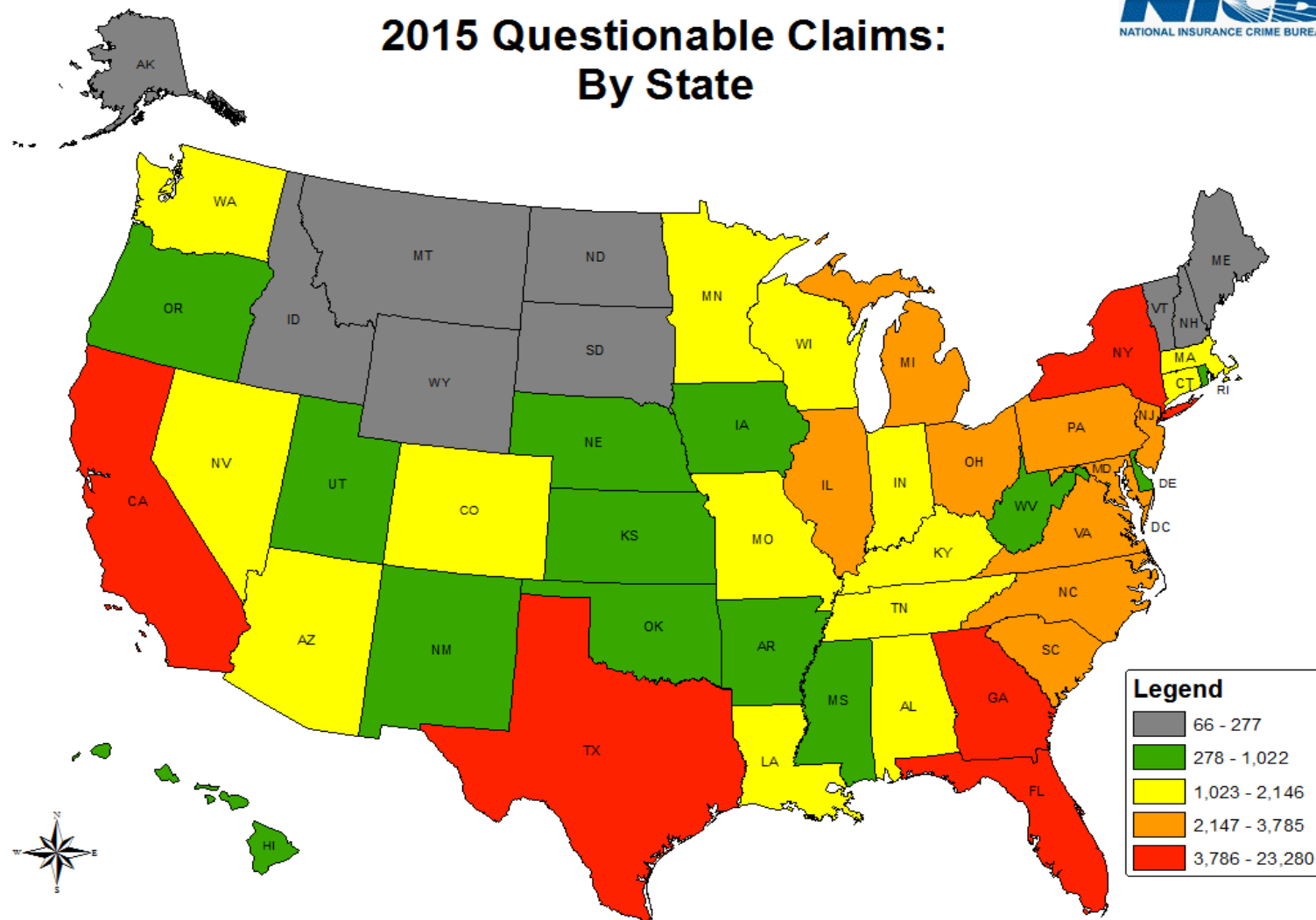


Priorities



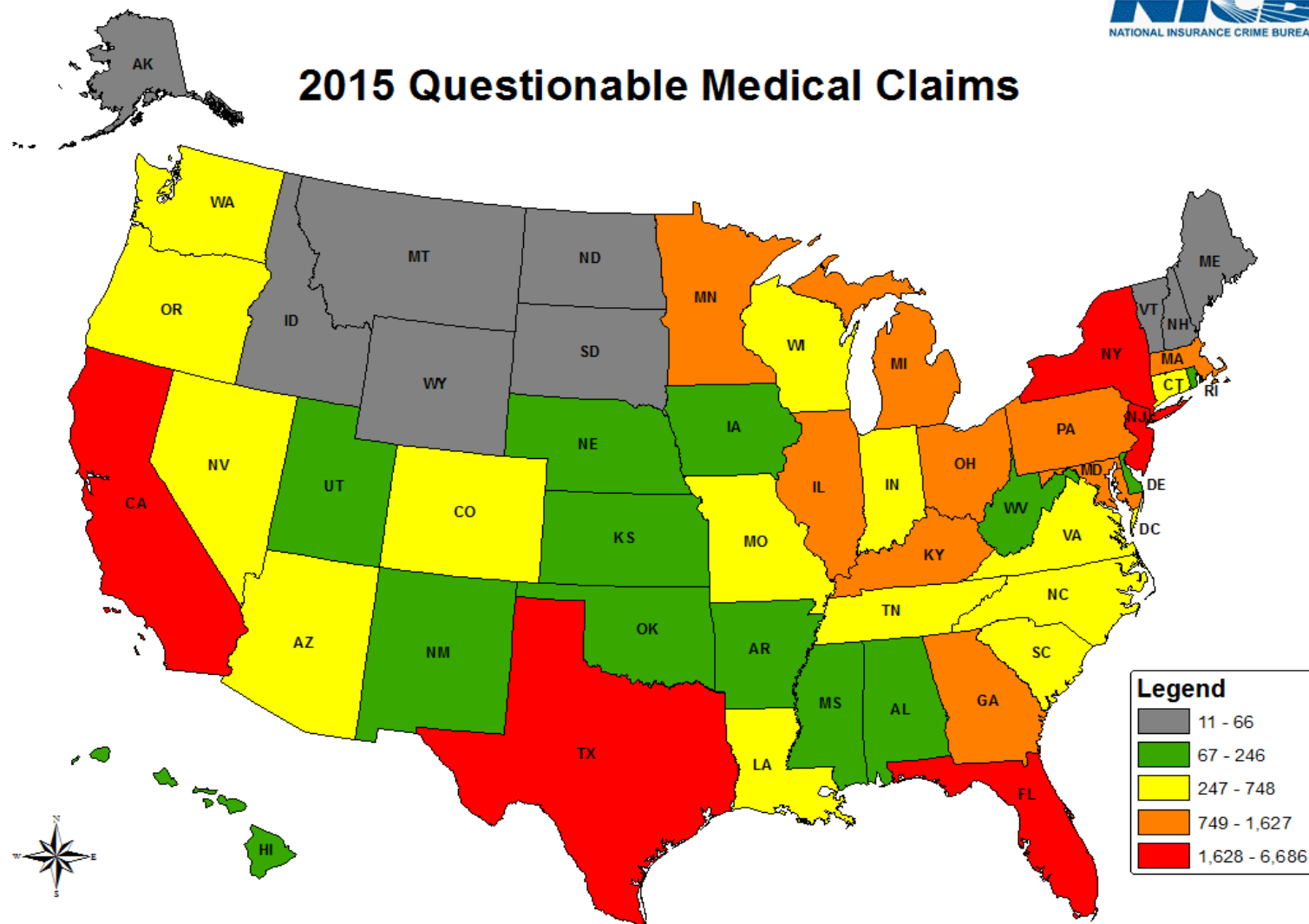
- Medical Fraud
- Commercial Fraud
- Vehicle Crime

2015 Questionable Claims: By State

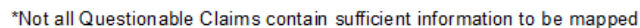


*Not all Questionable Claims contain sufficient information to be mapped

2015 Questionable Medical Claims



*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**

Training

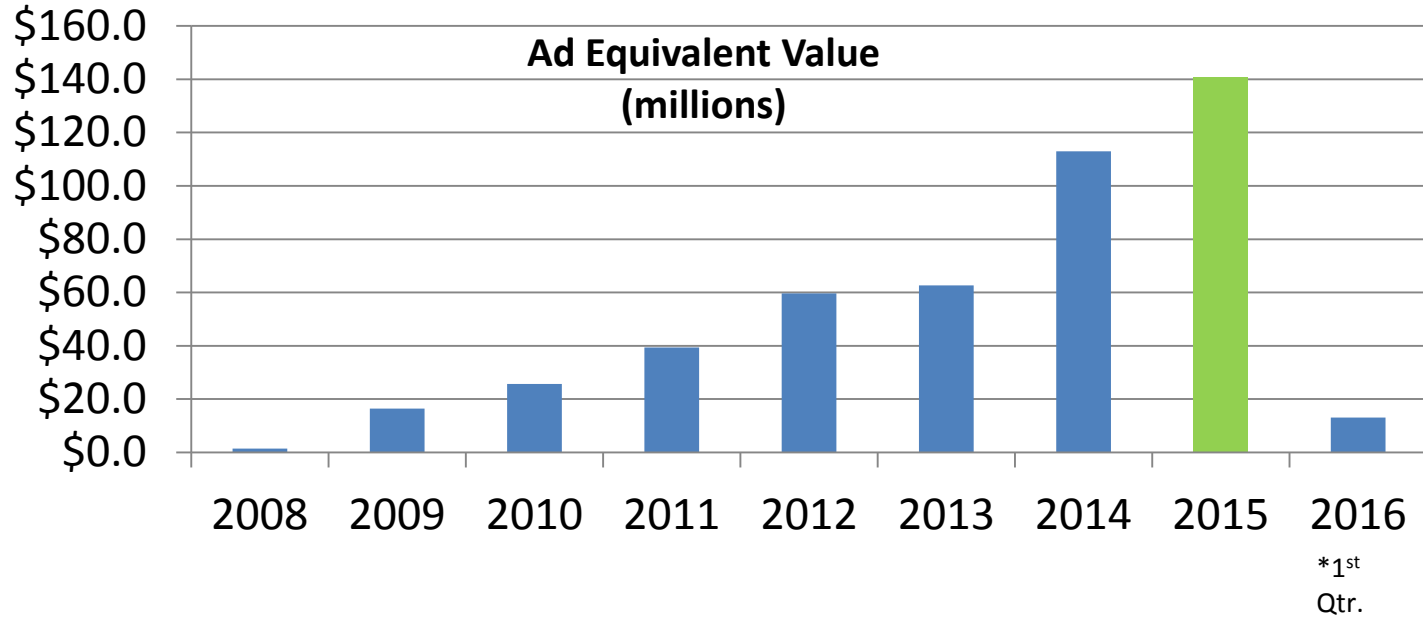
- 940 classroom sessions
- 31.6K insurance industry / law enforcement
- 17K CE's processed
- 55K students enrolled in 113K online courses
- 45K visitors to NICBtraining.org

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

- 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

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

Public Awareness



Cost of Insurance Fraud

\$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.

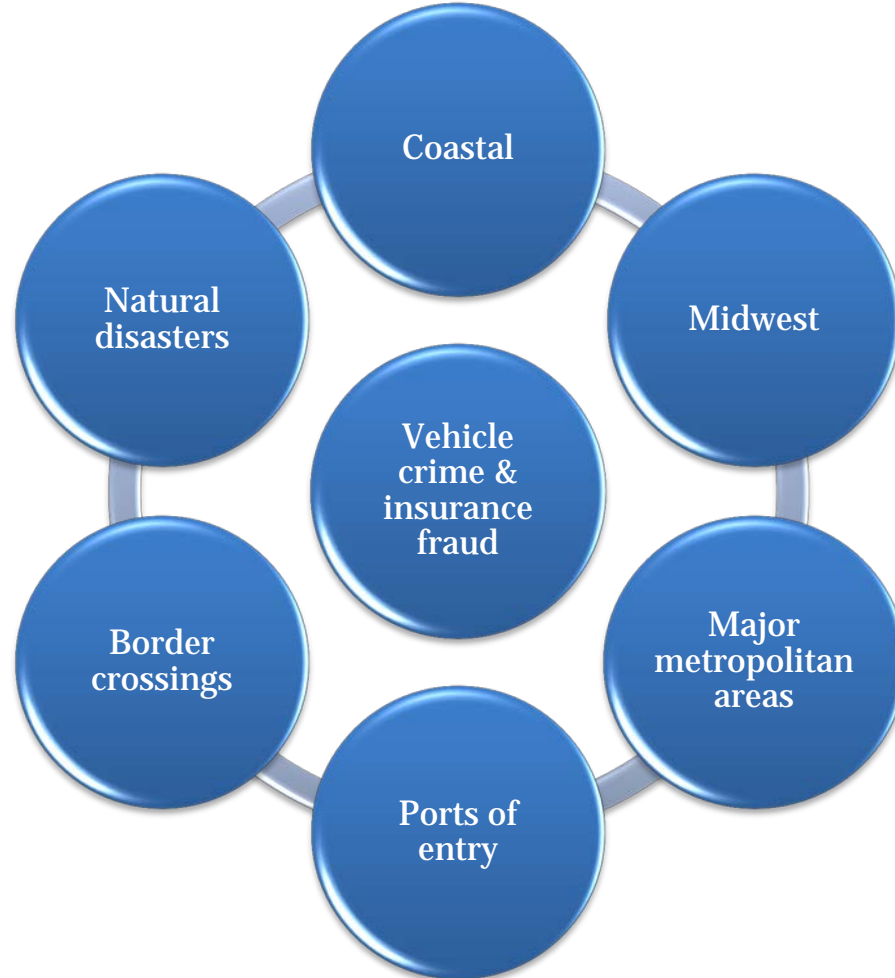
2000 Conning study "a crime that costs the American public in excess of \$96 billion.

Property & Casualty

Health Care & Life

**Insider; Producer,
Agent Broker**

Insurance Fraud by Region



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

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 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

Making in Work



Starting Your Vehicle



Thank you for your time...

Questions?