

A scenic mountain landscape with a lake and dense forest, serving as a background for the SCOR logo. The image shows a valley with a large lake in the foreground, surrounded by dense evergreen forests. In the background, there are rugged, rocky mountains under a blue sky with scattered white clouds. The overall scene is a natural, mountainous environment.

SCOR

The Art & Science of Risk



Stopping Fraud: Before, During and After the Application

Robyn Wallner,
VP, Head of Underwriting | Partnerships
SCOR

October 2023

SCOR

The Art & Science of Risk

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Agenda

01 The Cost of Fraud

02 Some Background...

03 Traditional, Accelerated, Digital and
Direct to Consumer exposures

04 Cost and impact of claims and rescissions

05 Best Practices and mitigation techniques

A,B,C's: The Threats to Life

How do we manage?

A

Airway

B

Breathing

C

Circulation

D

Disability

E

Expose



<https://www.stopthebleed.org>

The cost of fraud

Insurance Fraud Costs the U.S. \$308 Billion Annually

Posted in [Legal Alerts](#) on March 17, 2023

The Coalition Against Insurance Fraud (CAIF) has come out with a new study that shows the full extent of insurance fraud in the United States. For the first time in almost three decades, the figure that estimates total losses due to insurance fraud has been updated. According to the CAIF, total losses due to insurance fraud across the country are \$308 billion. This figure is dramatically higher than the group's \$80 billion estimate in 1995, which is the last time it released an estimate of the cost of insurance fraud. The study may even underestimate the total amount of insurance fraud because some insurance companies may not realize that they have been defrauded due to sophisticated methods employed by fraudsters.

The updated figure breaks insurance fraud out across numerous product lines. The type of insurance that has the most fraud each year is life insurance, with annual losses of nearly \$75 billion. Medicare fraud is a close second, costing the federal government \$68.7 billion annually. Workers' compensation fraud results in \$34 billion in annual losses, much of it concentrated in claims fraud.

Fraud Schemes: Nomadic populations

SOUTH CAROLINA

Insurance agent gets prison for his role in Irish Travelers' death-for-profit scheme

BY JOHN MONK

JANUARY 14, 2019 06:55 PM

Several thousand Travelers live in the Aiken County area, claiming to be the descendents of Irish immigrants. Many live in an unincorporated area called Murphy Village, their base for white-collar frauds and other crimes, according to prosecutors.

CHICAGO — A federal grand jury in Chicago has charged 23 defendants with participating in a fraud scheme through which they allegedly swindled ten life insurance carriers out of at least \$26 million in fraudulent benefits.

- Eleven different policies, written by Williamson, on a chain-smoking, unemployed Irish Traveler woman named Margaret Sherlock, who lived in a camper. One of those policies paid out \$400,000 when she died.

The average time that elapsed between the application for a policy and the death of the insured was about 4.8 years, Grosse testified. “Often, the insured weren’t aware the policy was being taken out on them.”

Court hears inner workings of SC Irish Travelers' multimillion-dollar insurance scam

BY JOHN MONK

DECEMBER 07, 2018 04:13 PM, UPDATED DECEMBER 08, 2018 02:05 PM

- A female Traveler named as the beneficiary on five policies, written by Williamson, claiming three different men as her father.

Murphy Village, SC



- Single largest village of its kind for Irish Travellers in America
- Only about a dozen surnames exist within this community
 - Some common names in traveller communities include Costello, Uwanawich, Stevens, Evans, Marks, Sherlock, Boswell, Demitro, Williams, Miller, Lee, Nelson
- For this reason, men & women are given nicknames and go by nickname vs. birth name
- Other villages/communities are found in Georgia, Tennessee, Mississippi, Texas, Illinois, Colorado, New Mexico and Nevada

Fraud Schemes

Nomadic populations & closed communities

Thursday, June 2, 2022

CHICAGO — A federal grand jury in Chicago has charged 23 defendants with participating in a fraud scheme through which they allegedly swindled ten life insurance carriers out of at least \$26 million in fraudulent benefits.

The indictment charges the 23 defendants with multiple counts of wire and mail fraud. Most of the defendants were arrested Thursday in Illinois and Florida and will be making initial appearances in federal courts in Chicago, Orlando, Tampa, and Miami.

Charged in the indictment are JAMES MILLS, also known as “Jamie Montes,” 47, of Oak Lawn, Ill., JOSEPH BROWN, 50, of Chandler, Ariz., JULEY ELY, 47, of Oak Lawn, Ill., GINGER ELY, 26, of Oak Lawn, Ill., SYLVIA EVANS, 48, of Kissimmee, Fla., HOLLY STERGO, also known as “Holly Stego,” 29, of Missouri City, Texas, JESSICA VACA, 51, of Deerfield Beach, Fla., ANGELA BECHO, 30, of Fort Lauderdale, Fla., FRANK COSTELLO, 44, of Hoffman Estates, Ill., JOE ROUGA, 29, of Oak Lawn, Ill., MARY BACCO, 53, of Bridgeview, Ill., STEVE MONTEGA, also known as “Fonzie Cerano,” 44, of Orland Park, Ill., NIKO RISTICK, 23, of Orland Park, Ill., TONY RISTICK, also known as “Anthony Walker,” 52, of Orlando, Fla., RACHEL MONTEGA, also known as “Samantha Walker,” 48, of Orlando, Fla., ROBERT CRAIG, also known as “Jake,” 37, of Lakeland, Fla., STEVE VEGA, also known as “Cabby,” 45, of Fort Lauderdale, Fla., SOPHIE BECHO, 46, of Fort Lauderdale, Fla., MARK BLANCA, 30, of Burbank Ill., DIANA LUMAS, 30, of Burbank, Ill., RICKY BLANCA, also known as “Fonz Ristick,” 48, of Orland Park, Ill., DAVID JENSEN, also known as “Tony,” 52, of Lakeland, Fla., and JOE JOHN, 66, of Arlington Heights, Ill.

Additional closed communities:

IL, CA & NY/East coast populations

- The community may be centered around national origin, relatives/descendants, religion
- Usually a select/exclusive number of agents living within the communities
- Paramedic examiners, doctors, accountants, agents are part of the communities
- Limited data, similar disclosed information on unrelated applications, gaps in 3rd party documentation
- Significant non-disclosure, lack of objective verification based on “providers”

Fraud Schemes

Nomadic populations & closed communities

Insurance News

By Ryan Smith

Mar 26, 2018 /

Mohammed Kakooza, 44, Margaret Birabwa, 35, Michael Chibueze Monday, 43, and Denis Osikol, 36, allegedly submitted fraudulent life insurance applications in order to get advance commissions from insurance companies, according to the California Department of Insurance.

A joint investigation by the department and US Immigration and Customs Enforcement found that between 2013 and 2017, Michael Monday and Denis Osikol allegedly submitted more than 600 phony life insurance applications to various insurers, collecting nearly \$2 million in unearned commissions.

Fraud Schemes

Agent based applications

According to the investigation, between 2005 and 2018, Small allegedly obtained 33 life insurance policies on 29 individuals without the knowledge of the individuals or relatives. Small, who owns rental properties along the eastern coast of Florida from Miami Dade County to Flagler County, allegedly stole some of the victim's data through information received from the tenant's rental applications. The investigation revealed that Small strategically chose victims based on those perceived to be in poor health, aging or had little to no family members in the area. The investigation determined Small used eight different life insurance companies to secure the fraudulent life insurance policies. To date, Small received more than \$211,000 in benefits as a result of the death of five individuals she obtained policies for. If all 29 victims had passed away before law enforcement stopped the scheme, Small stood to obtain death benefits of an estimated \$1,985,000.

Nomadic & Closed Community Book of Business characteristics:

- **Numerous applications on same individual**
- **May involve different agents OR direct to consumer processes**
- **Application data inconsistent on many levels**
- **Most below exam limits**

Case #1: Message From the Underwriter

- “This is regarding that agent I discussed with you on Friday. I don't know if it's a concern or not, but I just noticed some things going on with his applications that I thought should be given attention. I think the exams and labs being received on all of these are being completed through other companies, but for some reason they keep submitting exams on the wrong form, but none of the exams have been completed by an approved exam company. The same examiner is signing all of these and we did receive one exam on a “Other company” exam form also signed by that same examiner. What was really concerning to me is on XXXXX it is clear the lab slip was altered. There are 2 lab slips same ticket # and one shows company as XXXX and other as “Other Company”, date was altered but everything else is identical.
- Also, all of the following applicants work for the same company and appear to be related. They all appear to live in FL but none of them have FL DL or ID's. A couple of them state they don't drive at all. I reviewed some of the other apps too besides the ones below and there seem to be issues with all of them. I just think it should be looked into. Thanks!”

Lab Slips

| PROPOSED INSURED INFORMATION | | | | TEST REQUEST | | |
|--|--|---|---|---|-----------|-----|
| Common Name | | | | A1C | CBC | CDT |
| FIRST NAME | MI | GENDER | | Full Drug | Hepatitis | |
| | | Male <input type="checkbox"/> Female <input checked="" type="checkbox"/> | | Microalbumin | PSA | |
| DATE OF BIRTH | SOCIAL SECURITY NUMBER | | | | | |
| 09 03 17 | 3 6 91 | | | | | |
| XXXXX | Biscayne Blvd | | | | | |
| CITY | STATE | ZIP CODE | in the past 5 years have you had a moving violation or has your driver's license been restricted, suspended or revoked? | | | |
| Miami | FL | 33186 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | | |
| DRIVERS LICENSE NUMBER | DL STATE | PICTURE VERIFIED | | | | |
| 1596 | TX | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | | | | |
| EMAIL ADDRESS | | | | | | |
| | @ | | | | | |
| URINE TEMPERATURE | CURRENT MENSES | How many hours since you last ate/drank? | HEIGHT | WEIGHT | | |
| 96 °F | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | 10 | 5 14 | 134 | | |
| 1st BLOOD PRESSURE | 2nd BLOOD PRESSURE | 3rd BLOOD PRESSURE | PULSE | IRREGULARITY | | |
| 118/74 | 118/70 | 120/72 | 70 | K | | |
| 1 Do you use tobacco in any form? | 3 If no, how long since you last used any form of tobacco or nicotine? | Are you currently taking ANY prescription drugs, vitamins or over-the-counter medications? If yes, list | | PROPOSED INSURED HISTORY OF | | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Never <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | High Blood Pressure Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| 2 If yes, what type of product(s) have you used? | 4 Are you currently using any type of nicotine delivery system (gum, patch, nasal spray, etc)? | | | Diabetes Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| Cigarette Cigar Pipe Smokeless | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | | Heart Disease Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| EXAMINING COMPANY | EXAMINER NAME OR ID NUMBER | | COMMENTS | | | |
| ExamOne APPS EMSI Other <input checked="" type="checkbox"/> | R. J. Al | | | | | |
| BRANCH NUMBER | GLOBAL ID | PHONE NUMBER | STATE | | | |
| 337 | | 304 342 | FL | | | |
| <p>Prior to allowing my blood, urine and/or oral fluid specimen(s) to be collected, I, the Proposed Insured, have read and do understand the Notice and Consent that appears on the reverse side of this form and the Important Applicant Information Brochure which includes the Notice and Consent and information about HIV/AIDS. I voluntarily consent to the testing of my blood, urine and/or oral fluid specimen(s), and to the use and disclosure of the test results and other information about me (including but not limited to medical information) as described on the reverse side of this form. If HIV testing is requested by the insurer, I authorize HIV testing on my specimen(s). If a blood specimen(s) was drawn, I did voluntarily consent to the withdrawal of blood from me by needle or lancet. I further acknowledge receipt of the Important Applicant Information Brochure.</p> <p>I, the Proposed Insured, verify that the enclosed contents of this/these visit(s) is/are indeed my blood, urine and/or oral fluid specimen(s). I verify that my oral fluid specimen or urine specimen, if collected, was placed into a vial which was sealed with tamper-evident tape that I have signed. I acknowledge that I have read my information as captured on this ID form and verify that it is accurate. NO ATTACHED OR DETACHED INFORMATION OR ANY OTHER INFORMATION ON THIS FORM WILL CHANGE ITS TERMS OR IN ANY WAY BE BINDING UPON THE INSURANCE COMPANY OR ANY OF ITS AGENTS OR CONTRACTORS.</p> | | | | | | |
| X Identical signature | | 12 09 17 | 10 00 | AM PM | | |
| Same examiner | | Signature of Proposed Insured / Legal Guardian | | | | |
| | | 12 09 17 | 10 00 | AM PM | | |
| | | Signature of Examiner | | | | |
| | | BLOOD / URINE / ORAL FLUID FORM # 50-PA v4 s 1 06/15 | | | | |

| PROPOSED INSURED INFORMATION | | | | TEST REQUEST | | |
|--|--|---|---|---|-----------|-----|
| Common Name | | | | A1C | CBC | CDT |
| FIRST NAME | MI | GENDER | | Full Drug | Hepatitis | |
| | | Male <input type="checkbox"/> Female <input checked="" type="checkbox"/> | | Microalbumin | PSA | |
| DATE OF BIRTH | SOCIAL SECURITY NUMBER | | | | | |
| 09 03 17 | 3 6 91 | | | | | |
| XXXXX | Biscayne Blvd | | | | | |
| CITY | STATE | ZIP CODE | in the past 5 years have you had a moving violation or has your driver's license been restricted, suspended or revoked? | | | |
| Miami | FL | 33186 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | | |
| DRIVERS LICENSE NUMBER | DL STATE | PICTURE VERIFIED | | | | |
| 1596 | TX | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | | | | |
| EMAIL ADDRESS | | | | | | |
| | @ | | | | | |
| URINE TEMPERATURE | CURRENT MENSES | How many hours since you last ate/drank? | HEIGHT | WEIGHT | | |
| 96 °F | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | 10 | 5 14 | 134 | | |
| 1st BLOOD PRESSURE | 2nd BLOOD PRESSURE | 3rd BLOOD PRESSURE | PULSE | IRREGULARITY | | |
| 118/74 | 118/70 | 120/72 | 70 | K | | |
| 1 Do you use tobacco in any form? | 3 If no, how long since you last used any form of tobacco or nicotine? | Are you currently taking ANY prescription drugs, vitamins or over-the-counter medications? If yes, list | | PROPOSED INSURED HISTORY OF | | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Never <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | High Blood Pressure Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| 2 If yes, what type of product(s) have you used? | 4 Are you currently using any type of nicotine delivery system (gum, patch, nasal spray, etc)? | | | Diabetes Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| Cigarette Cigar Pipe Smokeless | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | | Heart Disease Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| EXAMINING COMPANY | EXAMINER NAME OR ID NUMBER | | COMMENTS | | | |
| ExamOne APPS EMSI Other <input checked="" type="checkbox"/> | R. J. Al | | | | | |
| BRANCH NUMBER | GLOBAL ID | PHONE NUMBER | STATE | | | |
| 337 | | 304 342 | FL | | | |
| <p>Prior to allowing my blood, urine and/or oral fluid specimen(s) to be collected, I, the Proposed Insured, have read and do understand the Notice and Consent that appears on the reverse side of this form and the Important Applicant Information Brochure which includes the Notice and Consent and information about HIV/AIDS. I voluntarily consent to the testing of my blood, urine and/or oral fluid specimen(s), and to the use and disclosure of the test results and other information about me (including but not limited to medical information) as described on the reverse side of this form. If HIV testing is requested by the insurer, I authorize HIV testing on my specimen(s). If a blood specimen(s) was drawn, I did voluntarily consent to the withdrawal of blood from me by needle or lancet. I further acknowledge receipt of the Important Applicant Information Brochure.</p> <p>I, the Proposed Insured, verify that the enclosed contents of this/these visit(s) is/are indeed my blood, urine and/or oral fluid specimen(s). I verify that my oral fluid specimen or urine specimen, if collected, was placed into a vial which was sealed with tamper-evident tape that I have signed. I acknowledge that I have read my information as captured on this ID form and verify that it is accurate. NO ATTACHED OR DETACHED INFORMATION OR ANY OTHER INFORMATION ON THIS FORM WILL CHANGE ITS TERMS OR IN ANY WAY BE BINDING UPON THE INSURANCE COMPANY OR ANY OF ITS AGENTS OR CONTRACTORS.</p> | | | | | | |
| X Identical signature | | 12 09 17 | 10 00 | AM PM | | |
| Same examiner | | Signature of Proposed Insured / Legal Guardian | | | | |
| | | 12 09 17 | 10 00 | AM PM | | |
| | | Signature of Examiner | | | | |
| | | BLOOD / URINE / ORAL FLUID FORM # 50-PA v4 s 1 06/15 | | | | |

Employer Name and Addresses

Employer Name: Double Agent Inc
Address: 1635 N Bayshore Dr
Occupation: Business and Financial
Duties: Accounting
Secretary Address: for the purpose of notification



Employer Name: Double Agent
Address: 519 NW 26th Sst
Occupation: Administrative
Duties: Accounting



Client, Employer, Exam Addresses

Home & Exam address: XXXX Biscayne Blvd.

[Private Postal Systems: Packing, Shipping, Mailing | North ...](#) ✓

Private Postal Systems , your resource for shipping, packing, printing, etc. North Miami, FL,



Current Address:
HENNING DR.
SULPHUR LA. 70663
Reported 12/06

Previous Address:
BOX 30
BRUNDIDGE AL. 36010

Previous Address:
ROLLING VIEW
SPRINGFIELD VA. 22153

The Bad News?

One Death Claim

- Unable to obtain medical records during the contestability period (special authorizations required)
- App: November 27, 2017 - Florida
- Amount: \$750,000
- Death: April 14, 2020 - Texas

| 33. PART 1. ENTER THE CHAIN OF EVENTS - DISEASES, INJURIES, OR COMPLICATIONS - THAT DIRECTLY CAUSED THE DEATH. DO NOT ENTER TERMINAL EVENTS SUCH AS CARDIAC ARREST, RESPIRATORY ARREST, OR VENTRICULAR FIBRILLATION WITHOUT SHOWING THE ETIOLOGY. DO NOT ABBREVIATE. ENTER ONLY ONE CAUSE ON EACH. | | Approximate Interval Onset to death |
|--|--|--|
| CAUSE OF DEATH | IMMEDIATE CAUSE (Final disease or condition resulting in death) | YEARS |
| | a. <u>MALIGNANT NEOPLASM OF THE RENAL PELVIS</u> Due to (or as a consequence of): | |
| | b. _____ Due to (or as a consequence of): | |
| | c. _____ Due to (or as a consequence of): | |
| d. _____ | | |

More Bad News...

Florida: Policy Duration = 2 years, 4 months and 19 days

- Issue: Under Florida law, can a life insurance policy be rescinded based on fraud, including imposter fraud, more than two years after policy issuance?
- Finding: In Florida, the two-year contestability provision acts as a statute of limitations and no policy can be rescinded except for nonpayment of premiums.
- Now what do we do?

Next Steps: Was the Insured a Resident of Florida?

Should Florida law apply and/or prevail?

Investigator interview:

When asked where XXX had resided before she moved in with XXX, I advised she had resided in **Oklahoma City** for a short time (5-6 months) and was in **Colorado** on and off for many years. She advised XXX had also resided in **Texas** in the past. Later in the meeting she advised XXX had also resided in **Las Vegas** also. This occurred when asked why XXX was interned in Las Vegas. She said XXX had said around 10-15 years ago Las Vegas was where she wanted to be after death because she could gamble, eat and drink whenever she wanted to.

The Representative explained the policy had been taken in late 2017 and asked if XXX had ever resided in the South Florida area around 2016 or 2017. XXX said **she was not aware of every residing in this area** and added, **“That was around the time she took ill”**.

Employer Address and Contact Information?

Attempts to Locate Employer

The Representative walked through an adjacent mall located at the opposite end of the lobby from the Doubletree Hotel entrance. He went to Pier Two in an attempt to locate Double Agent. Pier Two has the address of 1635 N Bayshore Drive, Miami, Florida.

While a number of charter boats were docked at Pier Two none were Double Agent. The Representative spoke to a male who was working on a boat and relayed he had worked on several boats there. He was not aware of Double Agent. The Representative eventually went to a small store at the end of the dock and was advised Double Agent had been located there in the past and had moved to Key West.

More Attempts to Locate Employer...

On Thursday, June 11, 2020, the Representative went to Shrimp Road, Key West Florida and located the Stock Island Marina. The addresses there were found to be 7001-7009 instead of 17005.

7005 is a marina with the entrance to the marina being between two standing structures. An open air restaurant/bar looks over the marina. The manager was not familiar with Double Agent yet confirmed the address of the marina area was 7005. The Representative walked through the marina area and located a number of charter boats with none being Double Agent and there were no empty slips with the name Double Agent.

The Representative had located a third possible address through Facebook for Double Agent (77522 Overseas Highway, Islamorada, Florida). He went there on Friday, June 12, 2020 and found a roadside recreational area on the overseas highway with several boat rental and charter locations. No one there was aware of Double Agent. Mike at a small craft rental company explained a number of companies come there for short periods of time and leave.

The Representative had located three possible numbers for Double Agent:

- 305 395 4555 – this is now an automated line for delivery services
- 305 684 4497 – this was not an operational number on June 10 yet the Representative received a generic message to leave a message on June 18 with a message being left
- 877 334 7446 – this was the number listed on the Facebook page for Double Agent in Islamorada. This was called on June 11 with a male advising the number was for Lake Guerrero [Mexico] Outdoor Adventures and he was not familiar with Double Agent in Florida.

Signature Analysis

Signature Reviews

The Representative reviewed the handwriting and signatures on the following forms and/or documents:

- Colorado Identification card for Common Name (of 2014)
- Delivery Receipt
- Authorization form
- Change in Beneficiary form dated March 20, 2020 making Common Name the beneficiary of the policy
- Paramedic/Paramed form
- Exam form
- Claim form

With the exception of the claim form, the other documents contain purported signatures of the Insured yet appear to have notable differences in writing styles. Copies of the above documents have been forwarded to for review.

The Representative also forwarded a copy of a previous beneficiary change form dated December 18, 2019 changing the initial beneficiary of the policy from Common Name (a purported sibling of the Insured) to Common Name (a purported brother of the Insured).

The final document was forwarded to on Thursday, June 11.

Signature Analysis

Findings

With the data available for examination, it is my expert opinion with a reasonable degree of certainty that the questioned signatures on Exhibits Q1, Q2 & Q6 were not executed by the individual who authored the signatures on Exhibits K1 and K2.

With the data available for examination, it is my expert opinion with a reasonable degree of certainty that the questioned signatures on Exhibits Q3, Q4, Q5 & Q7 were not executed by the individual who authored the signatures on Exhibits K1 and K2.

Health History Obtained with New Authorizations

In person visit with hospice care facility with authorization

Page 11 of the documents indicate the Insured had a number of previous medical issues including:

- Depression
- Eczema
- Essential Hypertension
- Kidney Carcinoma
- Osteoarthritis
- Sleep Apnea
- Thyroid Nodule

A previous surgical history of:

- Thyroid Surgery (11/10/2016)
- Parathyroidectomy
- Left Kidney removal (11/17/2016)
- CT Abdominal Drainage (01/03/2017)
- CT Abdominal Drainage (02/09/2017)

Final Outcome?

- Filed Interpleader in Texas (NOT Florida)

17. **Interpleader.** Life Co requests the Court to accept the Policy proceeds into its registry and require Life Co and Defendants, or third parties presently unknown, to interplead their claims to such proceeds. Contemporaneously with the filing of this Complaint, Life Co has sought leave to deposit the Policy proceeds into the Court's registry. Life Co further requests that the Court declare the Policy void *ab initio* and award the Policy proceeds, less the refund of the premiums paid for the Policy, which should be awarded to the Heirs in their respective shares, to Life Co .

- Settled for a nominal amount

Name, address, contact information, employment information

Application for Individual Life Insurance
 e Insurance Corp. ("Company") P.O. Box 305086, Nashville, TN 37230-5086 / 800-262-2360 / Client Service Office

Insured (One)
 Name: Rollie MI: Last Name: S. Suff
 1 Monte Vista Rd

City: Clermont State: FL ZIP: 34711 Years at this Address
 Male Female SSN or Tax ID Number: 10
 Birth: 06/06/15 Place of Birth (State/Country): OH / United States of Am
 Driver's License or Government issued picture ID: RR 36 State: OH Country:
 407 1122 Cell Home Work Phone #: Cell Home
 e to call: 05:00 AM PM AM PM If you are not available when we call, may we speak with your spouse? Yes No
 Address: rollies.com
 U.S. Resident U.S. Resident Other:
 U.S. Citizen? Yes No (If "No," provide a copy of valid Passport and Visa)
 Visa Type: Visa #: Number of years residing in
 Name: Europa Grill City: State: ZIP:
 Occupation: Hospitality/Food Service Years:
 Consistent with and customary for occupation listed

Application for Individual Life Insurance
 e Insurance Corp. ("Company") P.O. Box 305086, Nashville, TN 37230-5086 / 800-262-2360 / Client Service Office

Insured (One)
 Name: Rollie MI: Last Name: Suff
 1 Montevista Rd

City: Claremont State: FL ZIP: 34711 Years at this Address
 Male Female SSN or Tax ID Number: 15 80
 Birth: 06/06/15 Place of Birth (State/Country): OH / United States of Am
 Driver's License or Government issued picture ID: RR 36 State: OH Country:
 407 1122 Cell Home Work Phone #: Cell Home
 e to call: are not available when we call, may we speak with your spouse? Yes No
 Address: rollie.s.com
 U.S. Resident U.S. Resident Other:
 U.S. Citizen? Yes No (If "No," provide a copy of valid Passport and Visa)
 Visa Type: Visa #: Number of years residing in
 Name: self City: State: ZIP:
 Occupation: Hospitality/Food Service Years:
 Consistent with and customary for occupation listed

Application for Individual Life Insurance
 e Insurance Corp. ("Company") P.O. Box 305086, Nashville, TN 37230-5086 / 800-262-2360 / Client Service Office

Insured (One)
 Name: Rollie MI: Last Name: Suff
 9 knots estate st

City: Las Vegas State: OH ZIP: 89139 Years at this Address
 Male Female SSN or Tax ID Number: 1 30
 Birth: 06/06/15 Place of Birth (State/Country): OH / United States of Am
 Driver's License or Government issued picture ID: RR 36 State: OH Country:
 7C 9111 Cell Home Work Phone #: Cell Home
 e to call: are not available when we call, may we speak with your spouse? Yes No
 Address: ste mail112.com
 U.S. Resident U.S. Resident Other:
 U.S. Citizen? Yes No (If "No," provide a copy of valid Passport and Visa)
 Visa Type: Visa #: Number of years residing in
 Name: real estate investor City: State: ZIP:
 Occupation: Self employed Years: 30
 No manual duties

- First application on 3/27/2020
- Agent #1

- Second application on 4/23/2020
- Agent #2

- Third application on 5/11/2020
- Agent #3

Beneficiaries

4. Beneficiary Unless otherwise indicated, multiple beneficiaries of the same class shall be paid equally to the survivor or survivors.

| Primary Full Name(s) | % | Address: Street City / State / ZIP | Relationship to Insured | Date of Birth or Date of Trust | SSN/EIN |
|----------------------|-----|---------------------------------------|----------------------------|-----------------------------------|---------|
| Amelia | 100 | USA | Other | 01/14/1 | |

4. Beneficiary Unless otherwise indicated, multiple beneficiaries of the same class shall be paid equally to the survivor or survivors.

| Primary Full Name(s) | % | Address: Street City / State / ZIP | Relationship to Insured | Date of Birth or Date of Trust | SSN/EIN |
|----------------------|-----|---------------------------------------|----------------------------|-----------------------------------|---------|
| Amelia L | 100 | USA | Daughter | | |

4. Beneficiary Unless otherwise indicated, multiple beneficiaries of the same class shall be paid equally to the survivor or survivors.

| Primary Full Name(s) | % | Address: Street City / State / ZIP | Relationship to Insured | Date of Birth or Date of Trust | SSN/EIN |
|----------------------|-----|---------------------------------------|----------------------------|-----------------------------------|---------|
| peaches | 100 | estate st las vegas NV 139 USA | Domestic Partner | 01' | |

First application: Family History, Physician Info, Last Visit

i. Family History (to the best of your knowledge and belief):

| | Age if Living | Age at Death | Cause of Death |
|----------|---------------|--------------|----------------|
| Father | | 97 | Natural Causes |
| Mother | 94 | | |
| Brothers | 74 | | |
| Sisters | | | |

j. Name and address of personal or attending physician:

Cleveland Clinic

9500 Euclid Ave, Cleveland, OH 44195

Telephone: _____ Date last consulted: 05/15/2019

Reason for last consultation and any medication/treatment given: Preventative or Routine Exam see details in overflow

k. List any medications (prescription or nonprescription) you currently are taking:

None

Second application: Family History, Physician Info, Last Visit

i. Family History (to the best of your knowledge and belief):

| | Age if Living | Age at Death | Cause of Death |
|----------|---------------|--------------|----------------|
| Father | 94 | | |
| Mother | 93 | | |
| Brothers | 71 | | |
| Sisters | | | |

j. Name and address of personal or attending physician:

Allen L Kennedy
Cleveland, OH

Telephone: _____ Date last consulted: 01/15/2019

Reason for last consultation and any medication/treatment given: Preventative or Routine Exam - see details in overflow

k. List any medications (prescription or nonprescription) you currently are taking:

None

Third application: Family History, Physician Info, Last Visit

i. Family History:

| | Age if Living | Age at Death | Cause of Death |
|----------|---------------|--------------|----------------|
| Father | | 92 | old age |
| Mother | | 89 | old age |
| Brothers | | | |
| Sisters | | | |

j. Name and address of personal or attending physician:
CVS MinuteClinic
3290 s fort apache rd, las vegas, NV 89117
Telephone: 7022543084 Date last consulted: 11/04/2019
Reason for last consultation and any medication/treatment given: Preventative or Routine Exam - see details in overflow

k. List any medications (prescription or nonprescription) you currently are taking:
None

Producer #1: Book of Business

- **30 applications (28 for \$300k: Non Med limit)**
- **16 declines**
- **7 Incomplete/Cancelled**
- **2 Live Rescissions**
- **2 Death Claims (1 rescission (on basis of fraud) 1 paid (lack of available evidence/documentation))**
- **3 active premium paying (inability to obtain information, need to book for potential early death claim)**

Producers #2, #3, #4

- **First 6 applications from a NEW producer within one week (FL, TX, CO)**
 - Last names include Miller, Stevens, Evans, Uwanawich, Lee, Demitro
- **TN Book of Business, 8 applications**
 - Last names include Costello, Nelson, Boswell, Sherlock
- **TX Book of Business, 17 applications**
 - Last names Marks, Stevens, Williams, Costello

Direct to Consumer/Instant Decisions/Digital Experience: Opportunities, Markets, Technology



Case Studies

Unusual Activity

| |
|-----------|
| 3/22/2022 |
| 3/25/2022 |
| 3/25/2022 |
| 3/24/2022 |
| 3/23/2022 |
| 3/23/2022 |
| 3/23/2022 |
| 3/23/2022 |
| 3/22/2022 |
| 3/22/2022 |
| 3/22/2022 |
| 3/22/2022 |
| 3/22/2022 |
| 3/21/2022 |
| 3/19/2022 |
| 3/19/2022 |

| | City | | |
|---------------------|---------|----|------------|
| MAS LN | AUGUSTA | | |
| EN ST | AUGUSTA | GA | |
| EN ST | AUGUSTA | GA | |
| EN ST | AUGUSTA | GA | |
| EN ST | AUGUSTA | GA | |
| EN ST | AUGUSTA | GA | 30 |
| WN RD | AUGUSTA | GA | 3090 |
| MAS LN | AUGUSTA | GA | 30906-265 |
| MAS LN | AUGUSTA | GA | 30906-265 |
| WN RD | AUGUSTA | GA | 30906 |
| K RD | AUGUSTA | GA | 30906 |
| MAS LN | AUGUSTA | GA | 30906-2654 |
| MAS LN | AUGUSTA | GA | 30906-265 |
| MAS LN | AUGUSTA | GA | 30906-265 |
| ST | AUGUSTA | GA | 3090 |
| WN RD | AUGUSTA | GA | 309 |
| NS BRIDGE RD | AUGUSTA | GA | 3090 |
| DTEN RD | AUGUSTA | GA | 30 |
| ETTEVILLE DR APT B5 | AUGUSTA | GA | |
| MAS LN | AUGUSTA | GA | |
| MAS LN | AUGUSTA | GA | |
| MAS LN | AUGUSTA | GA | |
| MAS LN | AUGUSTA | GA | |

Case Studies

More Unusual Activity

| | | | | | | | | | |
|-----------|--|--|--|-------|------|----|-------|--------------------------|---------|
| 4/14/2021 | | | | Aaron | Male | TX | 75204 | <input type="checkbox"/> | APPROVE |
| 4/14/2021 | | | | Aaron | Male | TX | 75204 | | DECLINE |
| 2/9/2021 | | | | Aaron | Male | TX | 75204 | | APPROVE |

| | | | | | | | | | |
|------------|--|--|--|------|------|----|-------|--------------------------|---------|
| 1/2/2021 | | | | Mark | Male | FL | 32504 | <input type="checkbox"/> | DECLINE |
| 12/11/2020 | | | | Mark | Male | FL | 32504 | | DECLINE |
| 12/11/2020 | | | | Mark | Male | FL | 32504 | | DECLINE |

| Insured First Name | Insured Last Name | Agent First Name | Agent Last Name | Applied Face Amount | Applied Health Class | Approved Health Class | PrimaryInsuredAddress1 | PrimaryInsuredEmail | DOB | Has Existing Insurance | Discontinue Exist Ins? | Approved? | Issued? | Date |
|--------------------|-------------------|------------------|-----------------|---------------------|----------------------|-----------------------|------------------------|--|-----------|------------------------|------------------------|-----------|---------|-----------|
| Wife | Happy | Jane | Jones | \$15,000 | Preferred Plus NT | | 951 Birchwood Manor | janejones@insco.com | 6/10/1961 | TRUE | TRUE | No | No | 6/23/2023 |
| Wife | Happy | Jane | Jones | \$15,000 | Preferred Plus NT | | 587 Oakwood Road | wifehappy2014@gmail.com | 6/10/1961 | FALSE | TRUE | No | No | 6/23/2023 |
| Wife | Happy | Jane | Jones | \$15,000 | Preferred Plus NT | Preferred NT | 951 Birchwood Manor | wifehappy2014@gmail.com | 6/10/1961 | TRUE | FALSE | Yes | Yes | 6/28/2023 |
| Husband | Happy | Jane | Jones | \$10,000 | Standard Tobacco | Standard Tobacco | 951 Birchwood Manor | wifehappy2014@gmail.com | 8/15/1948 | FALSE | NA | Yes | Yes | 6/29/2023 |

| Insured First Name | Insured Last Name | Agent First Name | Agent Last Name | Applied Face Amount | Applied Health Class | Approved Health Class | Primary Insured Address | PrimaryInsuredEmail | DOB | Has Existing Insurance | Discontinue Exist Ins? | Using Funds? | Approved? | Issued? | Date |
|--------------------|-------------------|------------------|-----------------|---------------------|----------------------|-----------------------|-------------------------|--|----------|------------------------|------------------------|--------------|-----------|---------|-----------|
| Super | Bean | Jean | Jones | \$50,000 | Preferred Plus NT | | 20 Ash Road | jeanjones@insco.com | 2/3/1954 | TRUE | TRUE | TRUE | No | No | 8/16/2023 |
| Super | Bean | Jean | Jones | \$50,000 | Preferred Plus NT | | 20 Ash Road | jeanjones@insco.com | 2/3/1954 | TRUE | FALSE | TRUE | No | No | 8/16/2023 |
| Super | Bean | Jean | Jones | \$50,000 | Preferred Plus NT | | 20 Ash Road | nothingrelated@gmail.com | 2/3/1954 | TRUE | TRUE | FALSE | No | No | 8/23/2023 |
| Super | Bean | Jean | Jones | \$65,000 | Preferred Plus NT | | 20 Ash Road | nothingrelated@gmail.com | 2/3/1954 | FALSE | NA | TRUE | No | No | 8/23/2023 |
| Super | Bean | Jean | Jones | \$65,000 | Preferred Plus NT | Preferred NT | 20 Ash Road | nothingrelated@gmail.com | 2/3/1954 | FALSE | NA | FALSE | Yes | Yes | 8/25/2023 |

What are the “unknowns” that we might not see at the time of underwriting? (Hindsight is 20/20)

- Limited data and “hits”
- Unknown loop holes: Smart and savvy populations that exploit it until closed
- Post issue activity (owners, beneficiaries, contact information)
- Inability to use some data and tools: state regulations, limits on using “algorithms” or discriminating on attributes that help to FLAG this business
- Premature claims OUTSIDE of the contestable period (2 years and 1 day to 5 years?) that provide insight
- Uncertainty of litigation outcomes, especially with Jury trials

The cost of Fraud

- Resources dedicated to identifying and “handling” these applications and policies (when issued)
- Legal costs (internal legal referrals, legal opinions, litigation, settlements)
- Special investigations costs
- Early claims (for cases that have limited opportunity for litigation)
- Policy acquisition costs, commissions (inability to recover on rescissions)
- Compliance handling and reporting
- Reputational risk – Rescission volume

Additional exposure and risk

ThinkAdvisor

Jury Awards \$114M in United of Omaha Rescission Case

The insurer says the insured left information about chronic lung disease off of her application.

By Allison Bell | June 14, 2021

A trial court ruled that United of Omaha had brought up the issue of misrepresentation too late and could not use that as an affirmative defense. The trial court granted summary judgment on **Johnny Costello's** breach of contract claim.

Fun Fact: 2022 complaint...

doctor. The breach of the implied covenant of good faith and fair dealing by the life insurance company is as clear as it is unreasonable: the life insurance company decided to wait to further investigate the health background of the insured until a claim was made, within the first two years after selling the policy. To the insured, he thought he had purchased peace of mind: a policy that would pay benefits as agreed, if something terrible happened and he passed away. But to the life insurance company, the contract was only contingent, during those first two years. As long as there was no claim, the life insurance company would not do any further investigation of whether it would sell the policy—because it already had. But if there is a claim—for any reason or cause—the life insurance company would then investigate, doing things that it could have easily done before it sold the policy. The sole reason for doing things then, after receiving the claim, was because the insurance company was called upon to pay. The insurance company does not care that this death was caused by a criminal act combined with the tragedy of the pandemic; the rescission is entirely based upon a medical misrepresentation. This is a clear factual illustration of an insurer putting its own interests ahead of its insured's, acting in a way that is intended to benefit the insurer only, after the time that the life insurance payment obligation has gone from potential to a real claim.

How can we mitigate risk?

- **Close the GAPS:**

- Application and product design
- Electronic/Digital design
- Process, process, process
- Requirements, data sources, validation tools, underwriting rules/guidelines
- Robust reporting
- Dedicated resources for monitoring activity, trends
- Post issue investigations, quick correction if needed
- Evadata ACT, MIB Total Line Alerts

MIB Total Line Alerts

| MIB | | | | | | | | | | Alert generated November 1st 2022, 01:00 PM | | Company | |
|---|-------------|---|---------------|-------------|--------------------------|---------------|-------------------|----------------------------------|-------|---|-------------|----------------------------|--|
| Female Applicant | | | | | | | | | | Total Line Alert | | Aggregate 3,000,000 | |
| 51 years old | | | | | | | | | | Current Application | | 3,000,000 | |
| Female | | | | | | | | | | Pending (IAI) | | 0 | |
| Policy # LB064XXXXX | | | | | | | | | | Active (In Force) | | 0 | |
| | | | | | | | | | | Terminated (Inactive) | | 12,000,000 | |
| Current Application (Policy # LB064XXXXX) | | | | | | | | | | | | \$3,000,000 | |
| Pending Applications (IAI) - Last 120 days of activity | | | | | | | | | | | | \$0 | |
| First Name | Middle Name | Last Name | Date of Birth | | Carrier | Policy Number | IAI Report Date | Product Type | Joint | | Face Amount | | |
| | | | | | | | | | | | | | |
| In Force Policy Data | | | | | | | | | | | | \$0 | |
| First Name | Middle Name | Last Name | Date of Birth | Issue State | Carrier | Policy Number | Policy Issue Date | Product Type | Joint | Policy Status | Face Amount | | |
| | | | | | | | | | | | | | |
| Terminated Policy Data- Not included in aggregate | | | | | | | | | | | | \$12,000,000 | |
| First Name | Middle Name | Last Name | Date of Birth | Issue State | Carrier | Policy Number | Policy Issue Date | Product Type | Joint | Policy Status | Face Amount | | |
| Female Applicant | | | 51 years old | OR | | | 8/26/15 | T | N | LAP | 3,000,000 | | |
| Female Applicant | | | 51 years old | OR | | | 12/21/17 | T | N | LAP | 3,000,000 | | |
| Female Applicant | | | 51 years old | OR | | | 12/4/19 | T | N | LAP | 3,000,000 | | |
| Female Applicant | | | 51 years old | OR | | | 12/23/20 | T | N | LAP | 3,000,000 | | |
| Legend | | | | | | | | | | | | | |
| Product Type | | In Force Status | | | Terminated Status | | | | | | | | |
| T - Term | | PMP - Premium paying | | | LAP - Lapsed | | | TRP - Terminated due to RPU | | | | | |
| U - Universal | | CLM - Policy in claim pay out (only applies to DI or LTC) | | | CER - Coded in error | | | CNT-Terminated as a Continuation | | | | | |
| | | | | | | | | DTH - Death | | | | | |

A,B,C's: The Threats to Life Insurance

How do we manage?

A Awareness, Application design and process

B Beware of unusual trends, activity, red flags

C Capture data, trends, comprehensive reporting

D Dedicate resources to fight fraud

E Expose the activity, report, share

A,B,C's: The Threats to Life

How do we manage?

A Airway

B Breathing

C Circulation

D Disability

E Expose

<https://www.stopthebleed.org>



Questions?