

Providing Agents with the Direction to Understand & Identify Insurance Fraud

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NATG is committed to providing quality insurance fraud training and Continuing Education to all insurance personnel.

Having the knowledge of insurance fraud and being able to identify fraud in the application process is key to reducing the cost of insurance fraud.

Because Agents/Producers need annual Continuing Education, it only makes sense that the education makes a real difference...not only to the licensee, but to policyholders and carriers as well. Finally you have the opportunity to not only enhance your own professional capability but to actually have a measurable impact in the fight against fraud.

It's not just CE anymore.

Course Topics

- Introduction to Insurance Fraud
- Insurance Fraud for Agents
- Staged Accidents
- Glass Claim Fraud
- Black box Technology
- Arson for Profit
- Catastrophe Fraud
- Health Care Fraud
- Life & Disability Fraud
- Annuities & Fraud
- Recorded Statements
- Auto Theft 101
- Auto Body Repair Shop Fraud
- Auto Premium Fraud
- RV Fraud
- Air Bag Fraud
- Transient Criminal Activity
- Subrogation & the Investigation
- Dental Fraud
- Viatical Fraud
- Workers Compensation Fraud
- Workers Comp Premium Fraud

* Customized courses available. New Courses Monthly





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Insurance Fraud - Conference Special Edition

Understanding Fraud:

What is Fraud?

Insurance fraud occurs when people deceive an insurance company or agent to collect money to which they aren't entitled. Insurance fraud can be "hard" or "soft."

Hard Fraud. Someone deliberately fakes an accident, injury, theft, arson or other loss to collect money illegally from insurance companies. **Soft Fraud.** Normally honest people often tell "little white lies" to their insurance company and/or agent. Many people think it's just harmless fudging. However, soft fraud is a crime and raises everyone's insurance costs.

Consider this... A car owner inflates a fender bender claim to cover their deductible, or understates how many miles driven annually to lower her auto premium... A homeowner inflates the value of stereo equipment stolen during a robbery... Or a printing business lists fewer employees than it really has in order to pay lower workers compensation premiums.

How Fraud May Affect You:

Andy Agent, a **mid-sized independent agency owner**, holds appointments with three multi lines PL companies. Most of his income is derived from automobile and homeowners. Andy has a lucrative contingency arrangement with one of his carriers; at year end, depending upon his loss ratio, Andy can earn a lump sum additional bonus of up to 7% of written premium. Andy has placed \$2 million with this company and he's running a 54% loss ratio as of the end of the third quarter. Now it's Christmas time, the year is near over, and he has visions of a nice \$140,000 contingency check. Fast forward to January 22, Andy rips open the envelope from Contingency Insurance Company. His 54% loss ratio is up in the 90's and his expected contingency check is toast. Three files, each rife with elements of fraud, not only erased those expected additional earnings, but have affected Andy's overall Agency Snapshot.

In the early spring, Andy's largest PL carrier places a moratorium on the writings of any new automobile business. Not only that, but they are pulling out of the state and non-renewing policies left and right. Contingency's rates are not competitive enough to rewrite/retain the book, and Andy's second carrier will only take ten new apps a month -- so Andy goes on the hunt for a 4th contract. When companies see that 93% loss ratio on a \$2 million book of business, **Andy's request for an agency appointment is denied.**

Points to Remember:

We all know that fraud costs everyone money. Big money. For every bogus high publicity class action lawsuit that drops millions of dollars into the pockets of attorneys, individual policyholders are each contributing a few pennies. For every stolen car driven across the Mexican border, each and every policyholder contributes. For every \$5 million dollar life insurance claim paid on the life of a person who never lived (except on paper), every other life insurance policy owner is funding the fraud. How do I protect my Agency and my Companies? EDUCATION, that's how!

Remember, WE ALL PAY the overall cost of fraud!

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