

The Texas Committee on Insurance Fraud

fighting insurance fraud through public education, communication and cooperation

The Texas Committee on Insurance Fraud (TCIF) began as an initial meeting between the Insurance Council of Texas (ICT), an insurance trade organization that represents more than 500 P/C companies, and the Texas Department of Insurance Fraud unit on August 19, 2003. That meeting led to a list of goals and possible accomplishments to bringing in others who have had years of experience in fighting insurance fraud. A subsequent meeting, phone calls and e-mails have shown the need for other individuals and organizations to be brought onto the Committee to address Life and Health Care fraud as well as drafting of proposed legislation.

Organizations/individuals who are participants of the Texas Committee on Insurance Fraud are:

- Association of Fire and Casualty Companies in Texas (AFACT)
- National Insurance Crime Bureau (NICB)
- International Association of Special Investigative Units (IASIU)
- Property Casualty Insurers Association of America (PCI)
- National Health Care Anti-Fraud Association (NHCAA)
- Coalition Against Insurance Fraud (CAIF)
- Automobile Insurance Agents of Texas (AIAT)
- The Insurance Council of Texas (ICT)
- Texas Department of Insurance (TDI)
- Texas Workers' Compensation Commission (TWCC)
- Independent Insurance Agents of Texas (IIAT)
- Blue Cross Blue Shield of Texas (BCBSTX)
- State Office of Risk Management (SORM)
- Office of Public Insurance Counsel (OPIC)
- Texas District and County Attorneys Association (TDCAA)
- State Fire Marshals Office (SFMO)
- Office of the Attorney General (OAG)
- America's Health Insurance Plans (AHIP)
- Texas Association of Business (TAB)
- National Federation of Independent Businesses (NFIB)
- Texas Association of Life and Health Insurers (TALHI)
- Texas Police Chiefs Association
- Thompson, Coe, Cousins & Irons, LLP
- AARP
- AFLAC
- Dallas County DA's Specialized Crime Unit
- Travis County DA's Insurance Fraud Unit
- Texas Mutual Insurance Company

- Royce Poinsett, Governor's office
- Karen Barratt, Lt. Governor's office
- Rep. Larry Taylor
- State Farm
- Unitrin
- Unitrin Specialty Lines
- Union Standard
- Texas Farm Bureau
- United Fire
- Liberty Mutual
- Humana
- Mutual of Omaha
- Aetna
- Farmers
- Texas Select Lloyds
- Allstate
- Principal Financial Group
- Golden Rule
- Amerigroup
- Travelers
- Prudential
- Hartford
- Progressive
- GEICO
- Zurich
- Compliance Partners Inc.
- CNA
- KPMG
- Nationwide
- Republic
- MJM Investigations
- Texas Association of Business
- American Health & Life
- Texas Data Mining Research Institute
- USAA
- John Hancock Financial Services
- Spectrum Investigations
- HDR
- Texas International Life Insurance Co.
- National Health Insurance Co.
- Dallas County Sheriff's Department

GOAL

The goal of TCIF is for committee members to discuss what tools are lacking in the fight against insurance fraud. TCIF members would list a set of priorities and in turn, propose legislation that could help everyone who is involved in making arrests, prosecuting and ultimately convicting persons responsible for insurance fraud. The Texas Committee on Insurance Fraud is a cohesive group of state and national fraud fighters that meets in Austin on a quarterly basis and shows consumers that the industry is doing something to combat insurance fraud in an effort to bring down rates.

MISSION STATEMENT

The Texas Committee on Insurance Fraud is a group of concerned representatives of the insurance industry, state and county government, as well as Texas and national anti-fraud organizations who share a common goal in fighting insurance fraud. The Committee seeks ways to expand the state's fraud fighting capabilities through public education, by enhancing communication and cooperation among fraud-fighting organizations and by proposing legislation to strengthen existing laws.

INITIAL MEETING

The Committee met Wednesday, January 28, 2004 in Room 100 at the Texas Dept. of Insurance, 333 Guadalupe, Austin, Texas. The Committee meeting was followed by break-out group sessions discussing priority legislation.

SECOND MEETING

The second meeting of the Texas Committee on Insurance Fraud took place on April 20, 2004 in Room 100 at the Texas Department of Insurance, 333 Guadalupe, Austin, Texas. Proposed legislation in five of the six Groups was discussed.

THIRD MEETING

The third meeting of the Texas Committee on Insurance Fraud took place on September 22, 2004 in Room 100 at the Texas Department of Insurance, 333 Guadalupe, Austin, Texas. The Committee discussed our proposed legislation and potential sponsors.

FOURTH MEETING

A conference call with Texas Committee on Insurance Fraud members took place on January 6, 2005. The Committee heard Rep. Larry Taylor and Shannon Phillips discuss the proposed legislation and where it stood. Committee members agreed to leave out any provisions dealing with prompt pay. Rep. Taylor said lawmakers with backgrounds in criminal law would review the legislation before it is sent to the

Legislative Council for drafting. After the Legislative Council has drafted the bill, it would be forwarded to all TCIF committee members for review and comment. Rep. Taylor and Bo Gilbert of IIAT agreed that we are ahead of schedule in having the legislation ready for the start of the session that begins Jan. 11.

SUCCESSFUL LEGISLATIVE SESSION

The 79th session of the Texas Legislature passed three bills (SB 781, HB 2388 and HB 3376) that will play in a major role in the arrest and conviction of persons committing insurance fraud.

FIFTH MEETING

Members meet September 28, 2005 at the Texas Department of Insurance to consider future legislation and direction for the Committee.

SIXTH MEETING

Members met on April 18, 2006 at the Texas Department of Insurance to discuss proposed legislation dealing with runners/cappers. Chairman Dennis Devlin convened the meeting. Testifying were Mark Stolle, Howard Goldblatt, Colleen Waters, Michael Schneider and Robert Kahn. Parks Sterns discussed legislation regarding the use of black boxes by SIUs.

SEVENTH MEETING

The final meeting of the Committee prior to the 80th session of the Texas Legislature will take place in Room 100 at the Texas Department of Insurance at 2 p.m. on Wednesday, December 8, 2006. Proposed legislation on insurance fraud items concerning auto and workers compensation will be discussed.

UNSUCCESSFUL LEGISLATIVE SESSION

The 80th session of the Texas Legislature failed to pass our proposed legislation (HB 2828/SB 1210 and HB 1245/SB 1715) which would assisted the fight against insurance fraud in Texas. HB 2828 and its companion bill SB 1210 would have curtailed the release of police crash reports to telemarketers who coerce crash victims into the offices of chiropractors and legal representatives. This bill died in the last few days of the session. A similar bill was vetoed by Governor Perry.

HB 1245 and its companion bill SB 1715 would have allowed prosecutors to go after insurance fraud criminals in any county where a part of the crime had been committed. This legislation also failed.

POST LEGISLATIVE SESSION

Insurance fraud can also be fought outside the halls of the Texas Legislature. An executive group of the Texas Committee on Insurance Fraud met with the Office of the Attorney General, the Office of the Governor, the Texas Department of Public Safety and the Texas Department of Transportation. These meetings led to a major change to the Peace Officer's Crash Reports that are filed by every law enforcement officer in the state. The phone numbers of the crash victims have been removed making it much harder for telemarketers to call unsuspecting motorists who neither asked for the assistance nor wanted to be bothered by present day ambulance chasers. The change is set to take place April 1, 2008.

EIGHTH MEETING

Members meet Thursday, March 6 at 2 p.m. at the Texas Department of Insurance to discuss the progress on removing phone numbers from crash reports as well as lining up priority issues for the 2009 81st session of the Texas Legislature.