

MINUTES OF RPEN CARSON CITY CHAPTER GENERAL MEETING Tuesday April 5, 2016

Ellen Westphal called the meeting to order at 2:02 p.m. with the Pledge of Allegiance.

The minutes of the March 1, 2016 meeting were read and approved as written.

The treasurer's report was given and approved.

Ellen introduced representatives of the Insurance Division; Ted Bader, Chief Compliance and Audit Investigator, Cliff King, Chief Insurance Examiner and Yeraldine DeAvila, Public Information Officer. They each spoke about what the Insurance Division is charged with.

Ms. DeAvila said the Division's responsibilities are to protect consumers rights, regulate the insurance industry and insure the financial solvency of insurers. There are two offices; one in Carson City and one in Las Vegas. The Division is responsible for individual and agency licensing, regulation of life and health insurance carriers as well as annuity policies. They also have oversight of property and casualty insurance carriers. This covers title insurance, workers compensation and car insurance. There is also a corporate and financial affairs section which verifies the insurance industry is in compliance with all regulations and the financial solvency. They also have a self-insured workers compensation section and legal section responsible for conducting administrative proceedings.

Mr. King said the Life and Health Care section implemented Obama Care (Affordable Care Act). He also said Long Term Care Insurance started in the late '80's, and is somewhat problematic. It is a fairly new program, based on three factors which go into the rating: Companies take in money from premiums and get investment income, which is considerably less than when they first started selling policies; medical inflation which comes primarily from prescription drugs; and people are living longer than anticipated, which means they use that long term care for longer than the insurance companies gambled on. He also spoke at length about annuities.

Ted Bader provided many insights into the problem of insurance fraud, not just in Nevada, but nationwide. Fraud is commonly committed by not only bogus or unethical insurance companies, but by consumers as well. Mr. Bader went over different types of insurance fraud and abuse.

The first was claimant or provider fraud. This covers such things as "padding" homeowner or auto insurance claim; false report of theft or arson or life insurance falsification. Becoming more common is provider fraud, most often perpetrated by doctors, chiropractors, DME providers, etc. They do this by charging for such things as diabetic supplies, scooters and other goods which are either overvalued or never delivered, and for chiropractic or physician visits that were overcharged, never took place or were unbundled. Bundling is where individual charges are "rolled up" into the visit. For instance a particular billing code would cover in total a visit with an injection. The fraud occurs when the biller charges separately, and therefore more, for that same service.

The next is fraud by unauthorized or "bogus" insurers. These are investigated by Division of Insurance and other entities as appropriate. This offense is usually characterized by cold calls, email solicitations, offering deals that are "too good to be true", asking for personal information such as credit cards, bank accounts, social security numbers, Medicare numbers and other info needed to initiate a scam. Perpetrators may offer insurance, financial advice, debt reduction, mortgage refinancing, etc. The number of investment scams go up as the economy takes a downturn.

Another scam or fraud involves annuities.

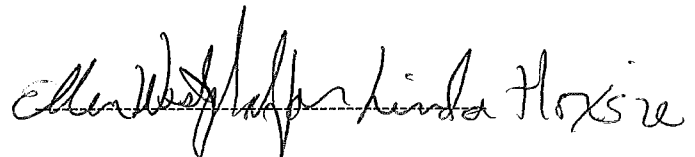
And there are many other miscellaneous scams Mr. Bader warned us about, such as fake IRS agents calling to claim you owe money and demanding immediate payment; the "Grandpa, I need help" scam, where someone claiming to be a relative claims they are in trouble and need cash to get out of jail, repair a car, etc. There are also many Nigerian scams dating as far back as 1919. Another favorite of thieves is the Irish sweepstakes. This is where they claim you have won money, but they require you to pay the taxes or other fees up front. Remember, you can't possibly win if you did not enter. Any time you are asked to wire money or use a pre-paid card, BEWARE. Mr. Bader said if you suspect criminal fraud to call the local Sheriff's Department or Police agency and ask to speak to a fraud detective.

Mr. Bader closed by giving a few common sense ideas to avoid being a victim of fraud: Never provide personal information to anyone you do not know; always delete email solicitations without responding; always check the credentials or licensing of anyone you do provide your personal information to; always check your Medicare and supplemental EOB's for any evidence of fraud; always reconcile your bank statements against your checkbook; always remember...if it sounds too good to be true it probably is; always verify before you buy; always remember, if someone approaches you in person or calls you and says "I'm from the government and I'm here to help you" it's one of the biggest lies ever told. The government won't call or email you to sell you something or to resolve financial issues.

The speakers provided a handout with contact information for various agencies which deal with some of the issues discussed, as well as for general medical billing complaints.

Meeting adjourned at 2:55.

DATE OF REPORT May 3, 2016

A handwritten signature in black ink, appearing to read "Linda Hoxsie". The signature is written in a cursive style and is positioned above the printed name.

Linda Hoxsie, Secretary