

Legal, Compliance & Regulatory

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The 'Disastrous' Effect of Fraud:
How to Prepare and Mitigate Fraud in
the Wake of Disasters

Highlights

- **Fraud and Disasters: Why Should We Be Worried?**
- **Incorporating a Disaster Response Plan into a Fraud Mitigation Program**
- **Covid-19 Pandemic: Trends, Tools, and Company Responses**
- **Lessons Learned and Takeaways**



Fraud and Disasters: Why Should We Be Worried?



The Fraud Triangle

Fraud and Disasters: Why Should We Be Worried?

Key Findings

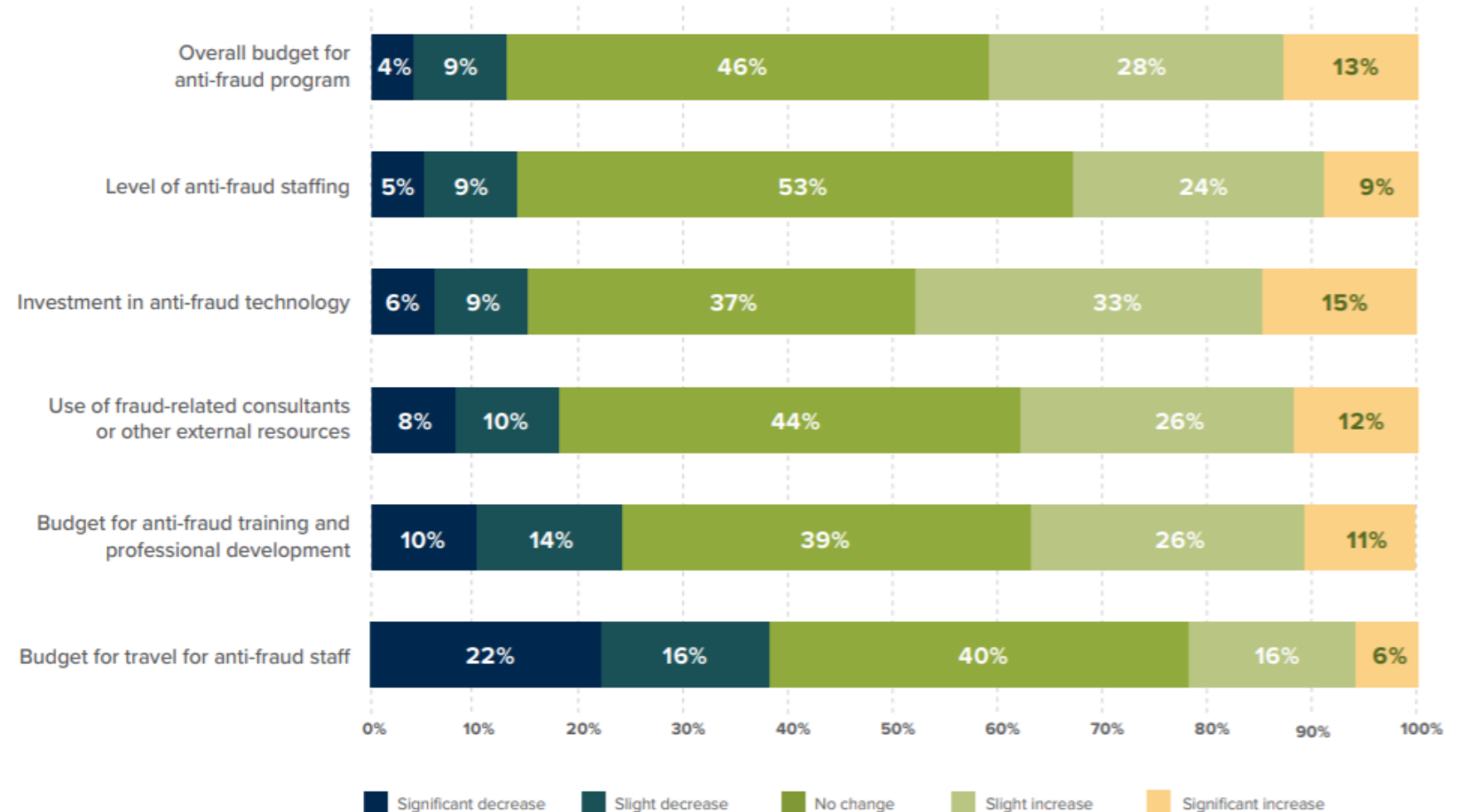


ACFE, Fraud in the Wake of Covid-19 Benchmarking Report, December 2020

Fraud and Disasters: Why Should We Be Worried?

FIG. 3 Expected change in anti-fraud program budgets and resources over the next 12 months

- **87%** of companies expect an increase or no change in anti-fraud program budget over next 12 months (**41%** expect increase)
- **85%** of companies expect an increase or no change in investment in anti-fraud technology over next 12 months (**48%** expect an increase)
- Investment in external resources and consultants expected to rise while staff travel and training fall



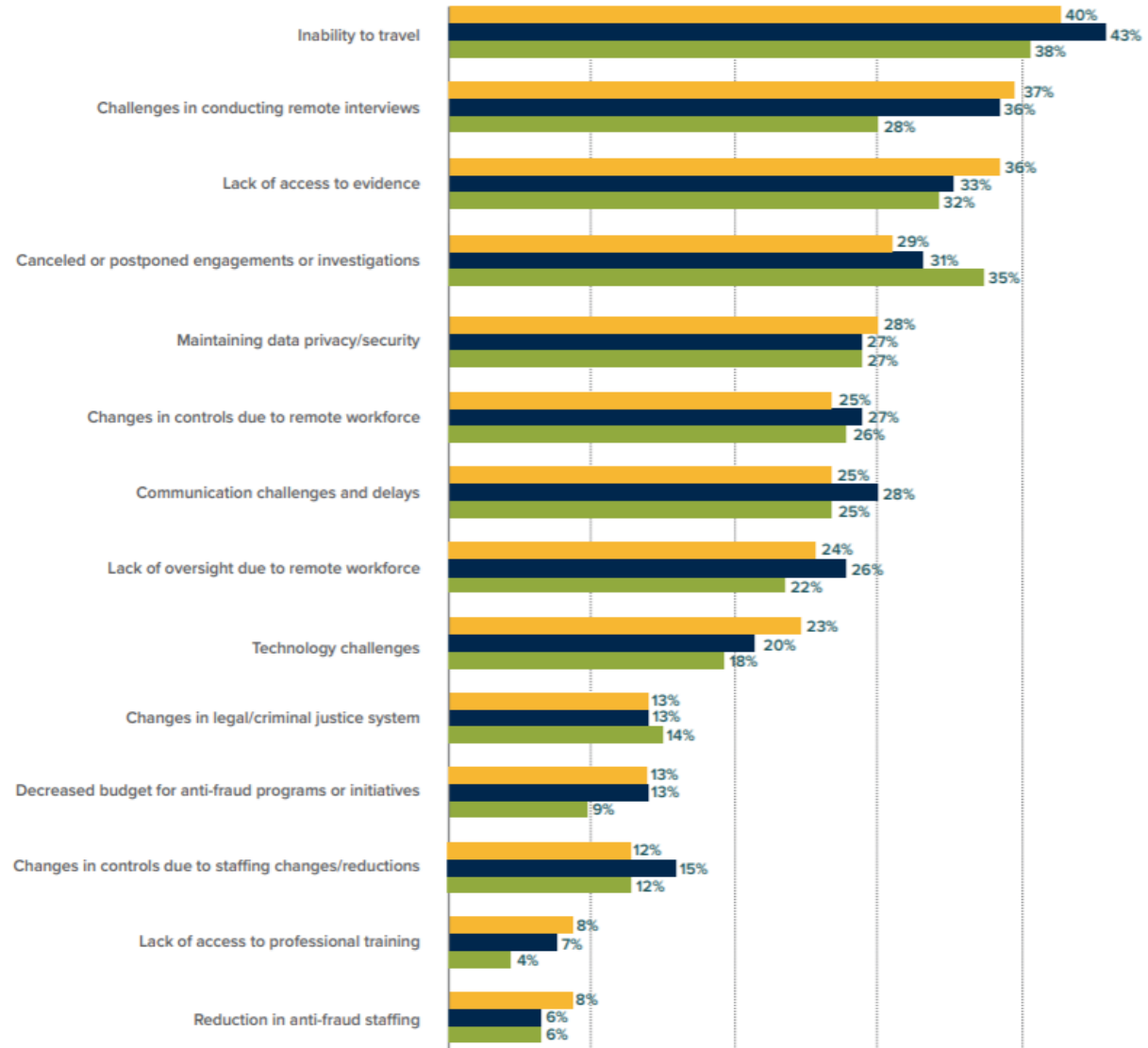
Fraud and Disasters: Why Should We Be Worried?

Top challenges in combating fraud in wake of Covid-19:

1. Inability to travel

2. Challenges in conducting remote interviews

3. Lack of access to evidence



Panel Q & A

- Pre-Disaster Response Plan Considerations
- Covid-19 Pandemic Trends, Tools, Responses
- Post-Disaster Fraud Mitigation Program Considerations
- Lessons Learned and Takeaways

Pre-Disaster Response Plan Considerations

Post-Disaster Fraud Mitigation Program Considerations

Incorporating a Disaster Response Plan into Fraud Mitigation Program

Post-Disaster Playbook

Step 1: Identify the unique characteristics of the disaster

Step 2: Determine what claim processes are affected and what new vulnerabilities were created by accommodations?

Step 3: Evaluate whether new motivations for fraud schemes have emerged based on the unique conditions of the disaster.

Step 4: Incorporate new red flags into training and analytic models

Step 5: Monitor new risks and vulnerabilities, protecting the company

Covid-19 Pandemic: Trends, Tools, and Responses

Lessons Learned and Takeaways

Questions