



FOURTH ANNUAL FRAUD CONFERENCE

Department investigators joined forces with the U.S. Attorney's Office to present a two-day conference for insurance adjusters, special investigators, and other professionals who work with insurance fraud cases. More than 125 attendees participated in the conference on October 18-19.

Conference presenters included Matthew Logan, Certified Cyber Intelligence Investigator and Certified Social Media Intelligence Analyst; Knute Sandahl, Idaho State Fire Marshal; Neal Custer, Professional Certified Investigator and Certified Fraud Examiner; Anthony Hall, Assistant U.S. Attorney; Patti Vaughn, Idaho Industrial Commission; Craig Fairfield, National Insurance Crime Bureau; Nathaniel White, Special Agent, FBI; and Kevin Maloney, Assistant U.S. Attorney.



ASK THE DOI

Do the election results mean I will lose my health insurance?

No. Health insurance is a contract between the policyholder and the insurance company. Whether the insurance coverage is obtained through Your Health Idaho, directly from an insurance company, or through an employer, the insurance company has a contractual agreement to fulfill.

There currently are federal programs that, for example, reduce health insurance premiums for some, and the future of those programs has yet to be decided. Until then, health insurance carriers and Your Health Idaho continue to operate under the current regulations.

DOI IN THE NEWS



- **Falsified insurance claim results in felony conviction**
- **Zenefits scheme results in administrative penalty**
- **Insurance agent submits false claims, loses license**
- **Life insurance policy locator tool**
- **Meridian insurance agent license revoked**

INVESTIGATIONS

On November 14, Cristian D. Ceja-Aguilar, Bingham County, was sentenced for one count of insurance fraud. A vehicle co-owned by Ceja-Aguilar and her mother was involved in an accident. Ceja-Aguilar purchased insurance for the vehicle after the accident and filed a false claim with the insurance company. The company denied the claim, and DOI investigators found that she lied about the date of the crash. Ceja-Aguilar was placed on probation for four years and ordered to perform 150 hours of community service and pay a \$1,000 fine plus court costs.

On November 21, Demetre R. Alvarado, Minidoka County, was sentenced for one count of insurance fraud. Alvarado's vehicle was stolen from a repair shop. After the car was recovered, he filed a claim with his insurance company for a missing air bag and water pump pulley. DOI investigators found that the vehicle was recovered with the air bag intact and that the water pump had been removed by Alvarado after the recovery. Alvarado received five years' probation and was ordered to pay a \$500 fine and restitution to Employers Mutual Casualty Company and the Idaho Department of Insurance. He was also ordered to perform 100 hours of community service.

STATE FIRE MARSHAL

Fire Marshal staff presented *Anatomy of a Fire Investigation* at the annual Idaho Fraud Conference in Boise. Participants were shown how a fire investigation is performed and learned about the sometimes tedious work involved in solving the origin and cause of a fire.

Communication Across Generational Boundaries was the topic during the Idaho State Fire District Commissioners annual conference held in Lewiston. Idaho State Fire Marshal Knute Sandahl challenged attendees to look to the future and better engage new firefighters coming into the fire service.



Knute Sandahl spent an evening with the Wolf Den of Boise Cub Scout Pack 96 discussing the July Table Rock wildfire in the Boise Foothills. He discussed erosion, the impact of the fire on wildlife, and ways to prevent these devastating wildfires.

In cooperation with the Bureau of Alcohol, Tobacco, and Firearms and the Custer County Fire District, the Fire Marshal's Office conducted an investigation into the origin and cause of the October 4 early morning fire at the Bureau of Land Management Office in Challis. The fire caused significant damage to the entire building, and the loss was estimated to be in the millions of dollars.



SHIBA

In response to requests from consumers, we have developed a tool to help people who are searching for agents or companies that sell Medicare products. The tool can be accessed via the "**Look up a Licensed Professional**" or **SHIBA Medicare Tools** pages, and will provide consumers with a list of agents licensed with companies that sell Medicare products. The list is derived from information in our licensing database and is not meant to be a recommendation of particular agents or companies, nor is it a guarantee that a listed agent is currently selling Medicare products. SHIBA staff members are happy to answer consumer questions about this new website feature.

COMPANY ACTIVITIES

Company Activities admitted two new insurance companies, Title Resources Guaranty Company and Central Mutual Insurance Company. Department analysts have begun to receive and review third quarter financial statements.

The NAIC *Accounting Practices and Procedures Manual* is currently under revision. Insurers use this manual as a basis for preparing financial statements for regulation purposes. The Department encourages regulated entities filing on NAIC blanks to stay up-to-date regarding changes to statutory accounting principles.

To that end, interested parties may submit items to the NAIC for consideration via a SAPWG Maintenance Agenda Submission Form (Form A) at this link: http://www.naic.org/cmte_e_app_sapwg.htm.

Several proposed agenda items are currently exposed for comment.

LICENSING

The Licensing Section has observed a dramatic change in the volume of licensing applications processed during our typically heavy season of August 1 through November 30 – the months leading up to open enrollment for Medicare and Your Health Idaho. In 2015 we licensed 7,969 new agents during this period, yet in the same months this year we issued only 6,467 new licenses.

We have nearly 105,000 active licensees as of October 31. We are noticing higher numbers of applications received throughout the year rather than the spike we traditionally see during open enrollment. After three years of exponentially high license applications during open enrollment, this year's trend may be the new norm.

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit www.doi.idaho.gov.