

To show our continued commitment to keeping you informed throughout this evolving pandemic, I would like to provide you with this week's pandemic plan update.

The safety and legal updates in our [previous pandemic updates](#) remain in place.

## What You Need to Know

**We Are Seeing Increased Claimant Activity in All States That Have Reopened**

**CoventBridge Is Open In All States**

Social Media Activity Continues to Increase, Providing Strong Investigative Support

**Virtual Statements & Interviews Are Available**

**Outdoor Activity is Providing Strong Surveillance Footage**

Our Virtual Investigative Tools Are Soc 2 Type II Certified and HIPAA Compliant

**International Investigations are Underway**

**We Are Conducting Scheduled In-Person Interviews & Statements**

Virtual 24/7 Surveillance Is Available

## STATE RESTRICTION UPDATES:

CoventBridge is open in all states and monitoring state restrictions closely.

- The following states have re-opened, with some county restrictions, and we are seeing an increase in claimant activity:
  - Alabama, Alaska, Colorado, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Maine, Mississippi, Missouri, Montana, Nebraska, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, West Virginia, and Wyoming.
- The following states are planning to re-open next week and we have our resources in place to fulfill investigative needs promptly.
  - Arizona, Arkansas, New Hampshire, North Carolina, Pennsylvania, and Rhode Island.
- We will monitor these changes and continue to update you as states reveal their phased approaches with dates and plans.

## HAPPENING THIS WEEK:

- **CoventBridge Group's CEO, Dave Merrill, provides thought-provoking insight into how the economic fallout from COVID-19 might open the door to fraudulent claims.**

### COVID-19 Economic Fallout Opens the Door to Fraudulent Claims

By Dave Merrill

The impact of COVID-19 establishes a framework for unprecedented financial disruption. Each week, record numbers of people are filing for unemployment, which will increase pressure for alternate income streams, including fraud.

Many Americans will start over with legitimate assistance from their companies, government, non-profit agencies, and a hand from friends and family. Insurance community experience indicates others will file false claims with their employers, insurers, and other agencies to gain illegal benefit.

The anti-fraud community should expect an uptick in false claims consistent with the financial disruption caused by COVID-19. It is incumbent upon leaders in the fraud community to immediately identify what we have learned so far in this crisis, understand what to expect in the future, and determine how to implement appropriate tactics to combat what lies ahead.

Since millions of employees started working from home, we've seen a cascade of noncompliant solutions that put sensitive data, the insured, and the insurer at increased risk.

We have seen early indicators that claims with elements of fraud are already being introduced.

As we face a future surge of deception, the anti-fraud community will need to continue to establish new methods and strategies to identify a differentiated set of red flags and tactics to objectively determine fraud.

#### COMPLIANT SOLUTIONS ARE CRUCIAL

Like most American businesses, the insurance fraud community did



not anticipate investigating claims within the context of stay-at-home orders and other encumbrances necessitated by the COVID-19 crisis.

Solutions were rushed to market to satisfy the market's appetite to continue investigations. Although HIPAA, SOC 2 Type II certifications in these solutions may satisfy the security guidelines of insurance carriers, many leveraged free downloadable versions of popular video chat tools do not satisfy the security guidelines of the insurance carriers.

There is an increased risk that an interview done at the desk level or by a third party on behalf of the insurer doesn't meet security guidelines. It is important to verify that you are utilizing the offerings in the marketplace and tools available to conduct investigations remotely that are compliant.

#### NEW WAVE OF OPPORTUNISTIC FRAUD

It is reasonable to expect an increased potential for individual and organized fraud schemes in a disruptive financial environment and the industry must plan for it.

There will be undocumented work-from-home claims, such as ergonomic issues or accidents. Working from home means no witnesses.

Expect an increase in property and liability claims from businesses that rely on the public as their revenue-generating audience and maintain physical offices, including but not limited to arson and other related property losses.

Those considering fraud who are closer to retirement age are more likely to claim a qualifying event occurred before the downturn that will activate disability insurance.

Even when roads are less busy, anticipate a high level of losses reported for the purposes of financial conversion.

Working from home without the support of the infrastructure of the workplace has proven an adjustment for millions of workers. Some may claim stress or other losses that may rise to compensability in workers compensation in certain states and/or increased disability claims.

#### WHAT LIES AHEAD

Going forward, investigative firms, insurance carriers, and insureds will need to collaborate to use existing means and apply new methods to identify and investigate suspicious claims and provide documented evidence of fraud. This calls for:

- Analytics to identify the most vulnerable insurance lines.
  - o Collaboration with the insurance fraud community on the trends and schemes uncovered and expected as they are identified.
- Creating new algorithms and/or artificial intelligence approaches.

- Protocols for a surge in unwitnessed at-home accidents.
- New red flags in claims such as:
  - o Accidents reported after employees were furloughed or laid off.
  - o Claims from businesses that completely closed due to COVID-19.
  - o Claims during mandates and quarantine orders in various jurisdictions.

Social media combined with surveillance will be extremely valuable tools to show behavior and activities inconsistent with the initial and on-going statements that claimants provided to adjusters, investigators, and/or employers.

#### IN THIS TOGETHER

An openness to new ideas and new tactics, along with the same level of commitment used to fight the COVID-19 crisis, should be applied as well to the downstream efforts utilized to combat what is most likely a certain crisis of fraud in the insurance community. Insurers must be able to trust that business is being conducted with the same HIPAA, SOC 2 Type II compliance, licensing requirements, and ethical standards available before the pandemic. Providers can share outside certifications to prove their security measures meet critical standards as well as financial stability to withstand these times to ensure the evidence and chain of custody will be there when needed.

Proven tactics, as well as new methods, will aid in the identification of fraud during these unprecedented times. We are in this together.

Dave Merrill is the CEO of CoventBridge Group with 28 plus years of experience in fighting fraud. He can be reached [DaveMerrill@coventbridge.com](mailto:DaveMerrill@coventbridge.com)

## WE ARE IN THIS TOGETHER

### Compliant Solutions are Crucial

As the global leader in full-service investigations, we are empowered with the solutions to investigate and communication in a secure HIPAA compliant and SOC 2 Type II certified manner.

### A New Wave of Opportunistic Fraud Will Arise

As we all face a surge of deception, CoventBridge Group will continue to lead the industry and be the first to implement the new methods and strategies to identify a differentiated set of red flags and tactics to objectively determine fraud.

### What Lies Ahead

Social media combined with Surveillance will be extremely valuable tools to show behavior and activities inconsistent with the initial and on-going statements claimants provide to adjusters, investigators, and/or employers.

**CoventBridge Group**  
is prepared to be your partner  
in identifying and fighting  
COVID-19 related fraud



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#### SERVICES INCLUDE

Claim Investigations | Surveillance Services | Special Investigation Unit Services | Counter-Fraud Compliance Programs | Social Media Investigations | Cameras | Record Retrieval | Remote Surveillance | Recorded Video Interviews | Complex International Investigations | Vendor Management Programs

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- Complimentary Webinar Today – The Investigator Perspective on COVID-19



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## The Investigator Perspective on COVID-19

### You're Invited to A Complimentary Webinar:

**Webinar Topic:** The Investigator Perspective on COVID-19

**Description:** All lines of business will need a different strategic approach to investigations during and after COVID-19. As we have seen from previous economic fallouts, there will not only be an increase in fraud schemes, but also an emergence of new types of fraud as well. This webinar will assist you in understanding the impacts that COVID-19 will have on all lines of business, while increasing your awareness of potential fraudulent scams and how to strategically combat them.

**Date:** Thursday, May 7

**Time:** 12:00 - 12:30 PM Eastern Time (US and Canada)

**Register:** You must register in advance for this meeting at the below link. Please use your company email address when registering.

After registering, you will receive a confirmation email containing information about joining the meeting.

### Mark Your Calendar:

**Thursday, May 7**  
**12:00 - 12:30 PM EST**

**REGISTER**

**THE GLOBAL LEADER IN  
FULL-SERVICE INVESTIGATIONS**

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## INVESTIGATIVE TECHNOLOGY DURING COVID-19

- In the rush to implement virtual investigative tools by others during this pandemic, we have seen an increase in the number of organizations utilizing Non-HIPAA compliant or SOC2 Type II certified investigative tool. Ensure you and your client data is protected. Below are a few articles that can assist your evaluation, or contact us at: [Security@coventbridge.com](mailto:Security@coventbridge.com)

[Utilizing Virtual Tools - IS YOUR DATA AT RISK?](#)

[Certified? Says Who? What IT Means To Be SOC 2 Type II Certified Vs. Compliant](#)

[CoventBridge's Virtual Investigative Tools](#)

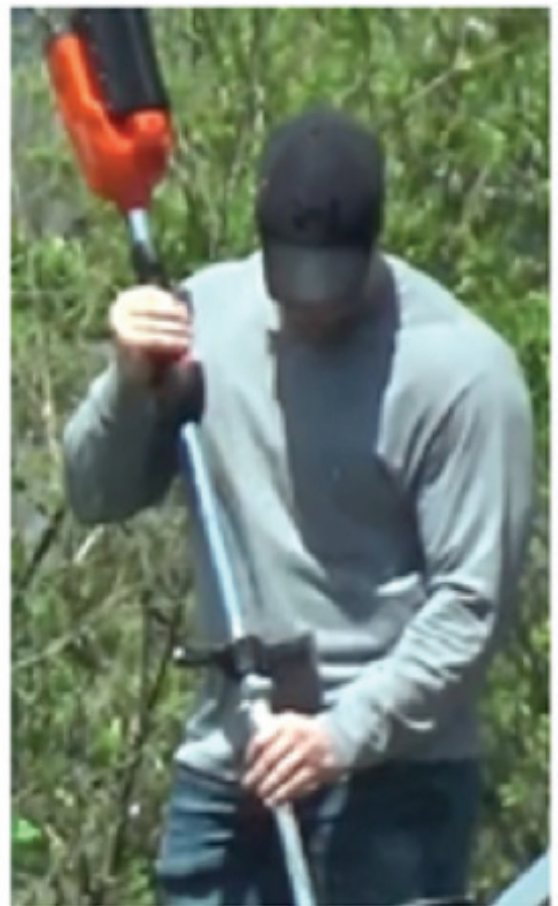
## Sample Surveillance Footage from April 29 - May 5, 2020



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If you need to reference these updates at any time, please navigate to our website's dedicated [Pandemic Plan](#) webpage.