State of Utah Fraud Training

Fraud and Insurance

Presented By:

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Fraud Trends and the Economy

“The average company's loss caused by fraud has increased by 22 percent (based on three-year average)” – Kroll Fraud Report 2008

"Fraud also tends to increase during an economic downturn so companies across the globe should watch out…” – Ernst & Young Global Fraud Survey

“Vonya Global predicts that there will be an increased fraud risk in the near term as the economy struggles to recover. If the economy enters into a full blown recession, the risk of fraud will grow drastically, most corporations will be vulnerable and very few will be immune.”

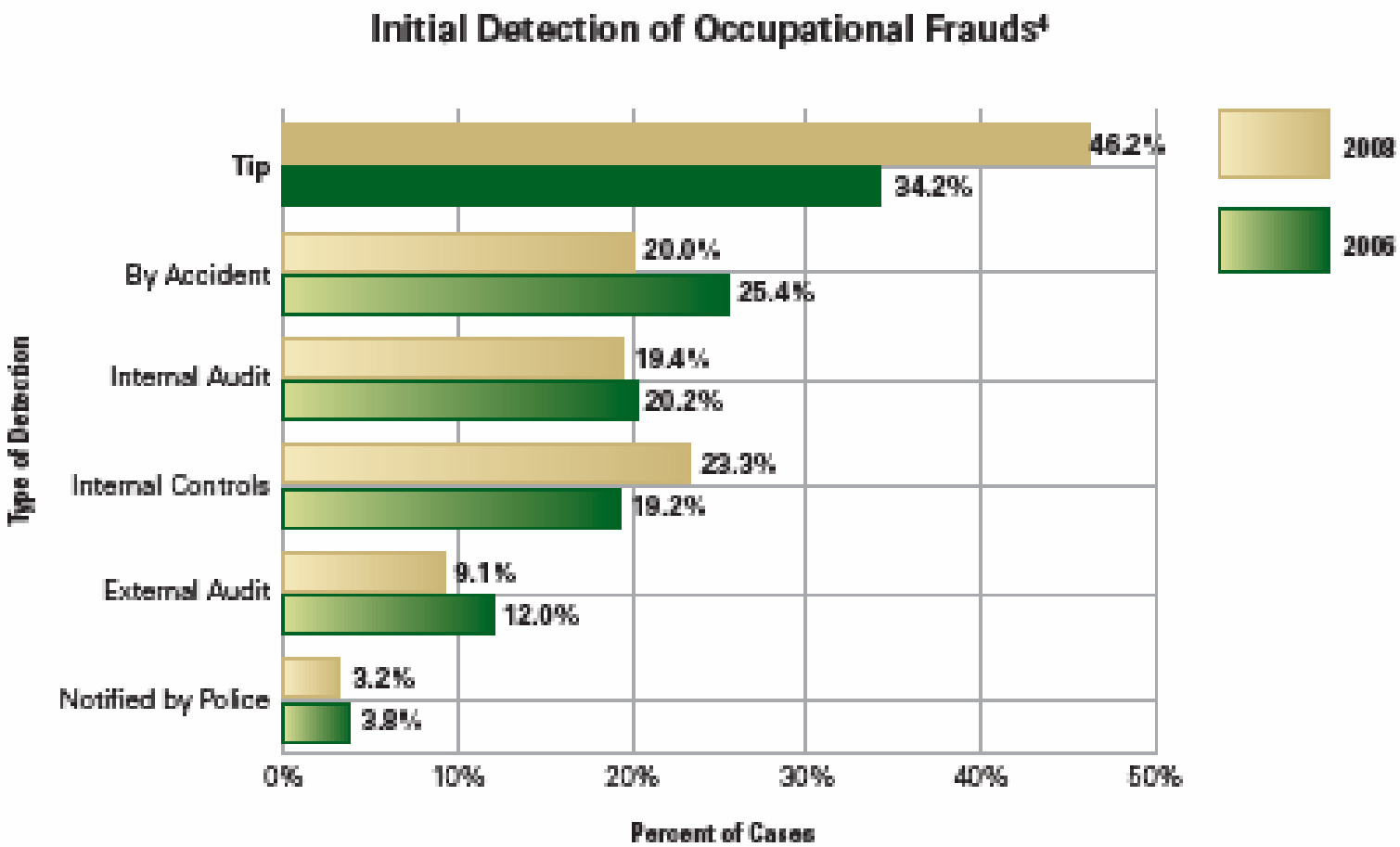
Industries Most Commonly Victimized by Fraud

Top 3:

- Financial Services (15% of cases)
- Government (12% of cases)
- Healthcare (8% of cases)

Association of Certified Fraud Examiners – 2008 Report

How Fraud is Discovered



[4]The sum of percentages in this chart exceeds 100 percent because in some cases respondents identified more than one detection method.

Association of Certified Fraud Examiners – 2008 Report

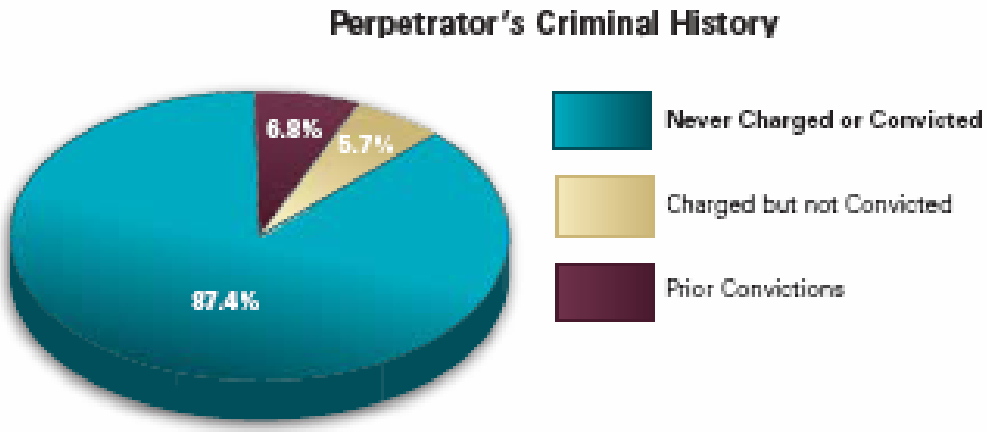
Insurance Implications of Fraud Discovery

- "Discovery" Can Occur By Any Employee
- Appropriate and Timely Notice
  (Even if Thought to Be Immaterial)
- Involvement of Appropriate Authorities
- Proof of Loss Process

Previous Dishonest Acts

- Employee Dishonesty Threshold

- “Ignorance is Bliss?” – Discovery by Risk Management Department and/or Auditor General’s Office



Association of Certified Fraud Examiners – 2008 Report

Jonathan S. Stutz

Executive Liability Practice Leader

•Jonathan has over eight years experience in the risk management and insurance brokerage industry and has brokerage specialization in Directors and Officers liability, Professional Errors and Omissions, Employment Practices liability, Fiduciary liability, Fidelity (Crime), and Kidnap & Ransom insurance. Jonathan's expertise lies in executive liability placements for various sectors including technology, telecommunications, private equity, financial, heavy equipment, healthcare, oil & gas, retail, and public entity.

•Prior to joining Moreton & Company, Jonathan was responsible for brokering over $20 million in executive liability premium with Aon Financial Services Group in Denver, Colorado.

•Jonathan has also been a trusted advisor to national and international accounts such as Yahoo!, United Rentals, Overstock. COM, Blue Nile, Myriad Genetics, Questar, Larry H. Miller Group of Companies and Intermountain Health Care.

•Jonathan joined the Moreton & Company team in January 2006 and leads the Executive Liability practice group. Jonathan graduated from Brigham Young University with a degree in Business Management, Finance emphasis.

Thank You