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# Q&A with Experienced Insurance Professionals New to Long-Term Care: Kristine Tejano Rickard and Jeff Ferrand

**N**o matter how much research one does when changing industry segments, it can be a bit of a gamble. As the Vegas dealer deals everyone at the table their poker hand, someone new to long-term care insurance learns about the nuances of policy language, the need for policyholder rate increases, the prevalence of fraud, increasing regulatory oversight, and new products being offered. The astute poker player will examine their hand, and decide which cards to lay down. Leaders new to our industry must decide which issues will be priority for their organization and which issues will need to wait for the next hand. We are all looking for the winning hand that will keep us in the game. Kristine Tejano Rickard and Jeff Ferrand, Fuzion's General Counsel and Chief Fraud Officer, respectively, have different but strong backgrounds that help them know how to play their cards and are keeping their organization and this industry at the table.

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**Tell me a bit about what you did before long-term care insurance. What got you started in the insurance field?**

**Kristine Tejano Rickard (KTR):** Like most people, I fell into the insurance industry. In college, an opportunity to enter a

risk management program became available, so I decided to try that path and became a professional liability underwriter. During that time, I became very interested in complex claims, so I decided to go to law school. Upon graduation, I joined a law firm as an insurance coverage attorney and subsequently went to work for a few different insurance carriers specializing in professional liability claims and property and casualty operations.

**Jeff Ferrand (JF):** I attended a small liberal arts college and went straight to law school upon graduation. Anyone who knows me, recognizes I enjoy a fast pace. I had my sights set on being a litigator; becoming a successful courtroom lawyer was definitely a career goal. Initially, I gained invaluable experience with my first role after law school in insurance defense as a litigator at a boutique law firm with a specialty in insurance coverage and fraud defense. I represented carriers in a wide array of matters but my firm's practice was best recognized for its insurance coverage and first-party fraud defense. Over the first decade of my career in private law practice, I developed a great working relationship with investigators, special investigation units (SIU), and government entities. However, my litigation responsibilities also carried with them a large time commitment and a lot of time away from family. After many years of that lifestyle, it was time to look for a new way to practice law.

**What attracted you to the long-term care insurance (LTCI) industry?**

**KTR:** When I was first introduced to the LTCI industry, I saw a space where I could make an impact. Regulators are looking for new ways to stabilize long-term care insurance, and I saw the opportunity to bring my diverse experience and fresh perspective to a mature industry. The LTCI environment can be very challenging but I feel my previous experience can help transition the LTCI segment into a place where we could overcome some of the complex struggles the industry is facing.

**JF:** I came to Fuzion and the LTCI industry to develop an SIU/Fraud Mitigation Program. I was attracted to the opportunity to strengthen efforts in fraud mitigation and to build something that could marry my fraud expertise with the analytics initiatives that I learned were already underway at Fuzion. Once I was on board and started reviewing cases, I was interested with how much potential fraud existed and was encouraged about the mitigation efforts that could be put in place. I found there was a huge opportunity to make an immediate impact, and it was great to be able to use my past expertise to develop a program that could deliver immediately. With the integration of some investigative strategies more widely used in my property and casualty industry, coupled with analytic-based fraud identification, we have seen big impacts made in short periods of



time. It's really encouraging for the entire industry. It is also satisfying to know that my team's work has the opportunity to protect potentially vulnerable senior policyholders from fraud and abuse.

**What were some of the biggest challenges you faced when transitioning to LTCI?**

**KTR:** Having an appreciation for the evolution of the LTCI market and how it got to where it is today has been my biggest challenge. It has been helpful to gain an understanding of the perspective of senior lifestyles at the time these policies were written (decades ago) compared to senior lifestyles today now that the policyholders are ready for benefits. This understanding is vital since many assumptions which were developed at that time do not exist today, or exist in a manner that was different decades ago when policies were written.

**JF:** I agree with Kristine. It took a little to time to gain a full appreciation for the evolution of the industry. Many of the policies were written so long ago; lifestyles and senior care were very different than they are today. However, more difficult for my role was the need to change an underlying belief that mitigating fraud is futile and too difficult to make an impact. I have spent a lot of time and effort demonstrating internally and externally the breadth of fraud, waste, and abuse in LTCI and

proving that we can make a difference. This includes empowering front-line claims handlers with the ability to identify fraud and appreciating their results.

**What skills from your previous insurance experience benefit the LTCI industry the most in your present role?**

**KTR:** In my role, my job responsibilities are focused on risk management. I have the ability to impact the LTCI industry by implementing best practices for our carrier clients. This comes from a highly developed risk management lens that I have acquired through ensuring regulatory compliance, overseeing the litigation process, and managing complex claims. This includes a heavy emphasis on policy language analysis and understanding contract law.

**JF:** In my previous career track, I represented insurance companies at trial. This capitalized on and continued to strengthen my analytical and case building skills. Years of experience in this area has shown me how to collect diverse types of evidence and pull it together to make a case to enable the right decision to be made. Additionally, I really enjoy sharing information with others and giving individuals training and tools to do their best work. Communication has always been one of my strengths and I put a lot of effort into structuring training and

other fraud awareness activities to enable and incent claims handlers to identify potential fraudulent activities.

**What do you see as the #1 challenge facing the LTCI industry and what is your organization doing to address it?**

**KTR:** Managing the concerns of a multitude of constituents is one of our industry's biggest challenges, for both carriers and regulators. Carriers and regulators are constantly trying to balance what is necessary to maintain the viability of long-term care insurance and also consider the interests of the policyholders. Carriers today are plagued with the issues that are coming to fruition based on decisions from long ago. Assumptions were made about senior lifestyles that have since changed. We all know that many of the variables that underlie the premiums charged early in the life of LTCI policies did not develop as forecasted. This is casting a very dark shadow on our industry now when the actuarially necessary rate increases have to be implemented to support what is needed to pay future claims. On-going communication and education are our biggest tools to lift this shadow and overcome this major obstacle.

**JF:** For me, the uniqueness of long-term care is a big challenge. While I certainly have been able to draw from experiences in other insurance lines, some strategies and tools that may work in other insurance lines do not yield the same results with long-term care insurance products and typical LTCI claim adjudication processes. This provides an opportunity to innovatively apply my past knowledge to newer analytics-based methodologies and work closely with Fuzion's veteran claims handlers and leaders to overcome this challenge.

**What excites you the most about the contribution you are making to the LTCI industry?**

**KTR:** Having the ability to have a direct impact in an industry that is looking for solutions is very exciting to me. We all know the difficulties the LTCI industry is facing. I am excited to be with an organization that is looking beyond the traditional approach to LTCI and working to develop solutions to help keep LTCI products viable for many years. By encouraging innovation, we are developing new approaches to manage our business and how LTCI carriers can thrive.

**JF:** One of my favorite aspects of my transition is having the opportunity to work with other LTCI leaders toward solutions to improve the state of our industry, especially in the area of fraud. I have been fortunate to have worked with great people at every step of my career; however, there is something special about the LTCI leaders that I have worked with thus far. They have been so welcoming and driven to collectively find solutions to the problems that plague our industry. ■



Kristine Tejano Rickard, Esq., is general counsel at Fuzion. She can be reached at [krickard@fuzionanalytics.com](mailto:krickard@fuzionanalytics.com).



Jeffrey Ferrand, J.D., is chief fraud officer at Fuzion. He can be reached at [jferrand@fuzionanalytics.com](mailto:jferrand@fuzionanalytics.com).