

## **PRESS RELEASE**

### **RISK REVIEW SERVICES REPORTS FINDING SIGNIFICANT AMOUNTS OF MEDICAL FRAUD IN STOLI PORTFOLIOS**

**Houston, Texas (May 11, 2010)** – Risk Review Services, Inc., a firm specializing the identification and remediation of life insurance fraud, reports finding a significant level of fraud in portfolios of “STOLI” policies. STOLI, or “stranger-owned life insurance,” is life insurance obtained with the intention of resale into the secondary market. Buyers of STOLI policies hope to reap large returns upon the death of the insureds. Hiding or minimizing health problems of the prospective insured tends to increase the return on STOLI policies, and this results in an incentive to commit fraud, according to Doug Neill, President of Risk Review Services. Risk Review Services has developed a data base and proprietary procedure which enable it to mitigate the effect of life insurance misrepresentation, including fraud, on the mortality experience of life insurers and reinsurers.

“RRS has a proven record of providing risk selection process improvements and data mining and evaluation of existing policies to mitigate the effects of both one-off misrepresentations and organized fraud,” said Robert S. Cauthen, Jr., CEO at New World Marketing, Inc., a Houston-based firm that provides marketing and communication assistance to Risk Review Services.

“Misrepresentation and fraud play an insidious role in the statutory results of both insurers and reinsurers and negatively impact pricing which leads to competitive disadvantages”, according to Arnold Dicke, FSA., MAAA, President of New World Actuaries, a division of NWM.

Austin based RRS has been in business for almost 10 years and has developed an unsurpassed capability to uncover and eliminate both traditional misrepresentation as well as STOLI and other forms of organized fraud. RRS has had recent success in working with reinsurers to identify exposure to and mitigation of STOLI fraud at some of its primary companies as well as success in working directly with primary companies to identify and eliminate organized fraud involving seriously ill individuals.

Founded in 1996, New World Marketing, Inc. is a diverse consulting and strategic positioning firm located in Houston, Texas, serving the financial services industry by providing innovative product concepts and unique solutions to industry senior management in leading insurance and reinsurance companies, as well as banks and mortgage providers. The financial services experts at New World Marketing, Inc. bring more than 180 plus years of combined experience in multiple branches of the industry. NWM are consulting experts in Life, Health, and Annuity Insurance, Strategic Planning, Marketing, Product innovation and Distribution Strategies, providing product concepts and solutions to senior management in leading insurance and reinsurance companies.

In addition to its consulting practices, NWM conducts executive searches for many of the Fortune 500 insurance companies, assisting in the identification, assessment and recruitment of mid-level to senior executive talent in actuarial, marketing, sales, underwriting, claims, compliance and financial positions. NWM works with companies specializing in insurance, annuities, group employee benefits and client-driven health plans.

**To find out how NWM and RRS may benefit your bottom line, please contact Robert S. Cauthen, Jr [bobc@newworldsearch.com](mailto:bobc@newworldsearch.com) (713) 572-4159 or Arnold A. Dicke [adicke@newworldactuaries.com](mailto:adicke@newworldactuaries.com) (818) 358-2597**