



Washington Insurance Council
101 Elliott Avenue West, Suite 520
Seattle, WA 98119



Insurance
Fraud
You pay the price.

THE CRIME

You are being robbed and you don't even know it. It's called insurance fraud. Studies show that more than 10 percent of property/casualty insurance claims are fraudulent. Here are some facts.

INSURANCE FRAUD

- is the number-two white-collar crime in the nation behind tax evasion.
- costs consumers and their insurance companies \$30 billion a year.
- costs each American household \$200-\$300 annually.

From inflating an insurance claim to staging an accident, insurance fraud costs everyone and significantly increases insurance premiums. When people commit insurance fraud, they're not only stealing from their insurance companies, they are robbing us all. Here are some examples of insurance fraud schemes:

- *On the Big Stage* – Organized crime rings stage auto accidents complete with fake injuries and witnesses. These rings falsify claims at the expense of innocent people.
- *Misrepresentation* – Most people are honest. But some lie to their insurance companies when applying for a policy such as falsifying the number of miles driven to get lower premiums. Inflating an actual burglary claim by adding items that were not stolen to a list of stolen property is insurance fraud. Misrepresentation could void all coverage under a policy.
- *Arson* – Some people burn down their own homes or businesses to collect the insurance money.
- *Cheating on the Job* – Some employees fake or exaggerate injuries in the workplace to cash in on worker's compensation money.
- *Auto Theft* – Some people arrange to have their vehicles stolen to collect on their insurance policies.

AVOID BECOMING A VICTIM

Washington Insurance Council, NICB, and Puget Sound Special Investigators (PSSI) offer these tips to help you prevent getting ripped off:

- Be sure there is plenty of distance between your vehicle and the vehicle in front of it. Many criminals will abruptly stop causing you to rear-end them.
- Call the police to an accident scene and get a police report with the officer's name. This makes it difficult for the claimants to inflate claims and collect more money than they deserve.
- Carry a disposable camera in your vehicle so you can document the details of an accident such as: damage, number of passengers, road conditions, and license plate numbers.
- Be on the look-out for "runners" or "cappers" who appear at an accident, trying to direct you to unscrupulous attorneys and doctors.
- Watch for physicians who insist you file a personal injury claim after an accident even if you're not hurt.

Sources:

National Insurance Crime Bureau (NICB)
Coalition Against Insurance Fraud (CAIF)

FIGHT BACK

The National Insurance Crime Bureau offers a toll-free consumer hotline (1-800-TEL-NICB) for anyone who has knowledge of an insurance-related crime.

The Washington Insurance Council provides up to \$5,000 each year for rewards to citizens who aid investigators in the arrest and conviction of criminals who commit insurance fraud.

Washington Insurance Council
101 Elliott Avenue West, Suite 520
Seattle, WA 98119
PH: 206-624-3330/1-800-664-4942
E-mail: info@wiconline.org
www.wiconline.org