

INSURANCE FRAUD: A FACT SHEET FOR PENNSYLVANIA CONSUMERS

Brought to you by the Pennsylvania Insurance Department

The Cost of Insurance Fraud

What's more expensive than the Los Angeles riots, the flood of 1996, the Oakland forest fire and Hurricane Andrew combined?

It's insurance fraud and everyone pays the price.

According to the Pennsylvania Insurance Fraud Prevention Authority, the United States insurance industry pays as much as \$160 billion a year in fraudulent claims.

In Pennsylvania, insurance fraud is a felony crime.

Misrepresentations of the truth constitute insurance fraud. People who commit insurance fraud may be:

- ordered to make restitutions,
- sued in civil court for damages three times the amount of compensatory damages and forced to pay the costs of such litigation including attorney fees, plus
- fined \$5,000 or more.

Insurance fraud can take on many forms, such as:

...attempting to "recover your deductible" after a vehicular accident by claiming the cost to repair your vehicle is higher than the actual quoted cost.
...including items in a loss inventory that were not stolen so that you can "recoup" some of the insurance premiums you have paid over the years.

...telling the insurance claims adjuster that all the damage to your car was caused by the accident

you just had when, in fact, some of the damage existed prior to the accident.

...asserting that your back was hurt at work when you know that you hurt it playing touch football over the weekend.

...continuing to claim that you are injured when you are capable of working at your pre-accident level of activity.

...assisting someone in submitting or documenting a false claim.

...staging accidents, such as an intentional rear-end collision.



How can I help in the fight against fraud?

You can fight the epidemic of insurance fraud and make a difference. Call the Pennsylvania Attorney General's Office at (717) 787-0272 or the Insurance Fraud Prevention Authority at 1-888-565-IFPA to report suspected fraud. Additional information about insurance fraud can be obtained by calling or writing the Pennsylvania Insurance Department at any regional office location listed below.