

Insurance Fraud

Insurance fraud is a deliberate deception against an insurance company for the purpose of financial gain. The National Insurance Crime Bureau estimates that property/casualty fraud cost insurers and their policyholders about \$30 billion annually.

Fraud includes activities committed by applicants for insurance, policyholders, third party claimants or professionals who provide services to claimants, and ranges from inflating or “padding” claims, to submitting claims for injuries or damage that never occurred. Staged accidents are also a form of insurance fraud.

Insurance Research Council studies show that more than one-third of all auto accident injury claims involve fraud. About three percent of claims are premeditated criminal acts such as staged accidents, but 10 times that amount (33 percent) is attributed to inflated or fake billings by doctors, lawyers and/or claimants.

Fraud is the second most costly white-collar crime in America behind tax evasion. Stopping this type of criminal activity takes the combined resources of law enforcement, insurers and state agencies. Insurance companies have created Special Investigative Units within their companies, with specially trained professionals who investigate suspicious insurance claims and report them to the State of Nevada Attorney General's Insurance Fraud Unit.

In 2006, the Nevada Attorney General's Insurance Fraud Unit received 1036 referrals of suspicious claims, a 22% increase over 2005, resulting in 39 convictions and \$252,932 recovered in restitutions and fines.

If you suspect insurance fraud or theft call the National Insurance Crime Bureau toll-free hotline, 800-835-6422. Your call can be anonymous.