

INSURANCE FAQs

INSURANCE FRAUD

WHAT IS INSURANCE FRAUD?

Insurance fraud occurs when someone knowingly deceives an insurance company, insurance producer or other person to try to obtain an insurance benefit to which they are not entitled.

WHO COMMITS INSURANCE FRAUD?

Career criminals, organized crime groups, medical, legal, and business professionals, ordinary citizens, and even your next-door neighbor are capable of committing insurance fraud.

HOW DO I REPORT SUSPECTED INSURANCE FRAUD?

Consumers are encouraged to report insurance fraud activities to the Maryland Insurance Administration's Insurance Fraud Division. You need not give your name. Simply call 1-800-846-4069 or print and submit the attached form by mail or fax. Our fax number is: 410-347-5350. Consumers may also email fraud referrals by sending completed forms to fraud_referrals.mia@maryland.gov. You can find the form by visiting this link: bit.ly/miafraudr

REPORT FRAUD

 **1-800-846-4069**



**FRAUD
ALERT**

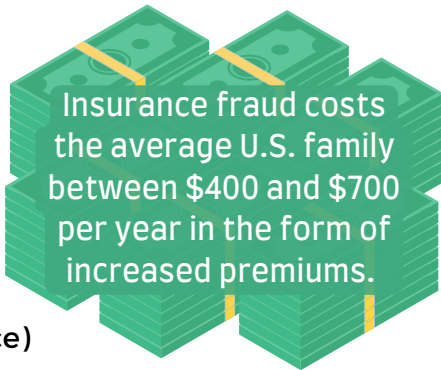
WHO PAYS FOR INSURANCE FRAUD?

The general public picks up the tab for insurance fraud through higher insurance rates.

According to the FBI, the total cost of insurance fraud (non-health insurance)

is estimated to be more

than \$40 billion per year. That means insurance fraud costs the average U.S. family between \$400 and \$700 per year in the form of increased premiums.



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WHAT IS THE PENALTY FOR COMMITTING INSURANCE FRAUD?

In Maryland, insurance fraud can be punished criminally and/or civilly. Fraudulent acts where the value is \$300 or more is a felony; if less than \$300, it's a misdemeanor. In addition to criminal penalties, the Maryland Insurance Administration may impose civil administrative penalties not exceeding \$25,000 for each act of insurance fraud.



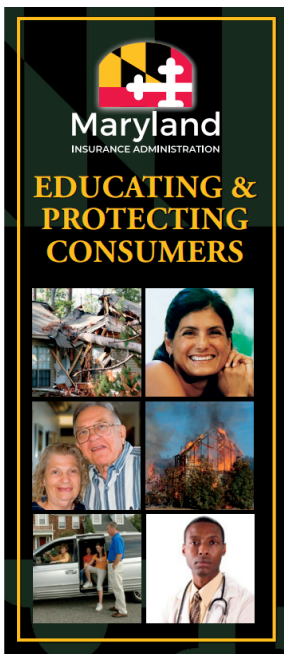
WHAT ARE OTHER TYPES OF INSURANCE FRAUD BESIDES FALSE CLAIMS OR INFLATING A LEGITIMATE CLAIM?

Here are some examples of the different types of insurance fraud but this is not an exhaustive list as there are many types of insurance fraud.

- Arson for Profit – A business, home, or vehicle is intentionally set on fire by the owner or someone acting on behalf of the owner to collect insurance money.
- Medical Fraud (“Medical Mills”) – Medical providers bill insurers for services they do not provide or inflate the bills for services. These scams frequently are connected to automobile accidents or disability claims.
- Storm Chaser Fraud – Contractors who contract for repairs they never plan to perform. These contractors often go door-to-door after a big storm or natural disaster soliciting work and may use pressure tactics to get your home repair business. Such tactics can include saying the price is only good until the end of the day or they will give you a special discount if you make a cash deposit now.
- Contractor Deductible Fraud – Where a contractor who is making insurance-covered repairs for weather-related damage offers or actually pays all or part of the homeowners insurance policy deductible with the intent to defraud the insurer.



ABOUT THE MARYLAND INSURANCE ADMINISTRATION



The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in Maryland. If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. The MIA can investigate complaints that an insurer or insurance producer has:

- Denied or delayed payment of all portions of a claim
- Improperly terminated your insurance policy
- Raised your insurance premiums without proper notice or in excess of what the law allows
- Made false statements to you in connection with the sale of insurance or the processing of insurance claims
- Overcharged you for services, including premium finance charges

Contact the Maryland Insurance Administration at:

200 St. Paul Place, Suite 2700

Baltimore, Maryland 21202

410-468-2000 | 800-492-6116 | 800-735-2258 TTY



<https://insurance.maryland.gov/Consumer/Pages/FileAComplaint.aspx>

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