

VIRGINIA STATE POLICE
INSURANCE FRAUD PROGRAM



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For Immediate Release

May 7, 2012

www.stampoutfraud.com

Governor McDonnell Proclaims May 6-12 as "Insurance Fraud Awareness Week" in Virginia

*The crime of insurance fraud is ranked #2 among white-collar crimes
and costs Virginia households \$1,000 a year.*

RICHMOND – The crime of insurance fraud affects all Virginians – not only increasing the amount of premiums paid, but also the costs of everyday purchases of goods and services. Recognizing the impact the crime of insurance fraud has on the citizens of Virginia as well as the efforts of the Virginia State Police Insurance Fraud Program (IFP) to "stamp out fraud," **Governor Robert F. McDonnell proclaimed the first week of May as "Insurance Fraud Awareness Week" in the Commonwealth of Virginia.**

"Insurance Fraud Awareness Week" is an annual event designed to raise community awareness about insurance fraud, create more widespread public knowledge of the IFP and its purpose, and educate Virginia citizens in the prevention and reporting of insurance fraud.

"Virginia has made great strides in the statewide fight against insurance fraud," said Colonel W. Steven Flaherty, Superintendent, Virginia State Police. "This has been possible due to the outstanding support of the insurance industry, the cooperation of other law enforcement agencies, and the general public's willingness to become involved."

Insurance fraud comes in many forms and can be committed by anyone – professional fraudsters and criminals, policyholders who submit fake or exaggerated

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claims, or the insurance professional who doesn't do what the unwary policyholder is expecting.

Ranked second behind tax evasion as the most common and costly white-collar crime in the United States, insurance fraud costs the economy more than \$80 billion a year according to the Coalition Against Insurance Fraud. In Virginia, citizens may pay between \$200 and \$1,000 per year in additional insurance premiums and as much as \$1,000 more each year for the cost of goods and services due to the negative economic impact of fraudulent insurance claims.

Since 1999, when the IFP was established as a unit in the Department of State Police, more than 17,000 suspected incidences of insurance fraud have been reported to the IFP, resulting in more than 2,000 arrests and \$14 million in court-ordered restitution. The dollar amount of these suspected false insurance claims surpassed \$121 million.

The Virginia State Police is committed to "Stamp Out" insurance fraud occurring in the Commonwealth. If citizens have knowledge of a fraudulent insurance scheme or suspect they may have been the victim of insurance fraud, they are encouraged to report the activity to the Virginia State Police Insurance Fraud Program on the toll-free hotline at 1-877-62FRAUD (1-877-623-7283) or at StampOutFraud.com. The IFP can also be found on [Facebook](https://www.facebook.com/stampoutfraud) and [YouTube](https://www.youtube.com/stampoutfraud) by searching on "stampoutfraud." Tipsters can remain anonymous, and a reward of up to \$25,000 is available for tips leading to an arrest for the crime of insurance fraud.

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TIPS FOR FIGHTING INSURANCE FRAUD FROM THE VIRGINIA STATE POLICE INSURANCE FRAUD PROGRAM

Insurance fraud comes in all shapes and sizes – from organized rings staging crashes that result in losses to insurance companies in the hundreds of thousands of dollars, to individuals padding their claims for a couple of hundred bucks. Chances are you have insurance to cover losses to your vehicle and home. You may never expect to suffer any losses, but in the event you need to make a claim with your insurance company, here are a few steps to protect yourself against fraud.

- **Get Educated.** Hurricanes and tornadoes, fires, burglary and vandalism are just a few of the ways an individual or family can sustain a property loss, which may or may not be covered by their existing homeowner's or renter's insurance. Become familiar with your insurance policies to understand what is covered, the amount of your deductible and to determine if the coverage is adequate.

- **Get Organized.** Make sure you know where your policies are. File them in a safe place, preferably in a fire-proof lock box or in a safety deposit box where the documents can be easily retrieved in an emergency.
- **Keep an Inventory.** Make an inventory of household items and keep it in a secure location, preferably off-site. If possible, keep receipts or proofs-of-purchase for big ticket items, such as art, jewelry, televisions or cameras in that same location. These also can be scanned and burned to a CD or DVD along with your household inventory. Free home inventory software can be downloaded from the Insurance Information Institute at www.iii.org. Don't forget to update your inventory when making a new purchase.
- **When driving, don't tailgate** – leave plenty of space between you and the car in front of you. In the event you are involved in a crash, use a cell phone camera or a disposable camera to record the damage to all vehicles, as well as road conditions and the surrounding area. Along with the camera, a small notepad and pen come in handy for taking notes about the crash, such as how many people were in the other car along with sex, age, race and injuries, if any.
- **Have vehicle repair work done by a reputable body shop.** Ask the shop manager to point out all of the replacement parts and show you the damaged parts. Get a written estimate for the repairs and check the final bill carefully. It should be itemized and closely match the estimate.
- **Be wary of any person who approaches you and offers to provide you with the name of a doctor or lawyer who can assist you.** They may be a "capper" or "runner" – a person who shows up right after a crash and just coincidentally has the name of a doctor or lawyer who will be more than happy to handle your case. Cappers typically receive kickbacks from fraudsters in the medical or legal profession for each person they recruit.

In the event you have to make a claim, by taking a few proactive steps, the claims process will go smoother and faster, and your settlement will probably be fairer. And remember, when making a claim, don't include any past damage or exaggerate your claim. Also, be aware of attempts to convince you that "everybody is getting rich" so you may as well try to get additional money also. If it sounds too good to be true, it probably is.

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