



State of Connecticut

Insurance Department

THOMAS R. SULLIVAN
COMMISSIONER

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CONTACT: Dawn McDaniel
(860) 297-3958
dawn.mcdaniel@ct.gov

PROTECT YOURSELF FROM INSURANCE FRAUD

In weak economic times, consumers can avoid becoming victims by staying vigilant and knowing their options

Insurance fraud has become a nationwide problem, highlighted by recent scams in such states as California, New Jersey, and Florida. In today's unstable economy, insurance fraud has the potential to get even worse as consumers may be looking for ways to cut down on their insurance costs. However, taking a shortcut when it comes to your insurance could prove catastrophic and costly.

Purchasing a policy without thoroughly researching it could leave consumers susceptible to insurance fraud, according to the [Connecticut Insurance Department](#). Selecting the cheapest policy available without first checking into the agent or company could potentially leave consumers without any legitimate coverage.

"What seems too good to be true often is," said Insurance Commissioner Thomas R. Sullivan, "Consumers must be mindful that insurance shortcuts today may have long-term affects to the safety and security of themselves and their loved ones."

Fake insurance companies and dishonest insurance agents can defraud consumers by collecting premiums for bogus policies with no intention or ability to pay claims. Phony home, health, life, and auto policies typically are offered at rates that are significantly lower than the traditional market price in order to woo consumers who are trying to save money.

But consumers can rely on their state insurance commissioners to actively protect them against fraud.

"The Connecticut Insurance Department is always on the lookout for these individuals and companies," continued Sullivan. "Consumers can always protect themselves through proper research and vigilance."

Verify the Provider

Before purchasing a new policy, the best way consumers can protect themselves is to research the insurance company, read the Explanation of Benefits (EOB) to familiarize themselves with their coverage, and confirm that their policies provide the coverage they need. For help with your

research, consult the National Association of Insurance Commissioners' (NAIC) Consumer Information Source to review the company's financial and claims history. To use this free resource, go to <https://eapps.naic.org/cis/>. If you are unsure about the insurance company or agent you are dealing with:

- STOP before signing any paperwork or writing a check.
- CALL the Connecticut Insurance Department, which is easily reached by phone at 800-203-3447.
- CONFIRM that the company or agent offering insurance is legitimate and licensed in the state.

Go to the [Connecticut Insurance Department](http://www.ct.gov/cid) Web site at www.ct.gov/cid.

Watch for Hidden Fraud

Employees of legitimate insurance companies can also deceive consumers for personal gain. For example, an unscrupulous agent could collect premiums from a customer without delivering the insurance policy to the company. The insurance company could cancel or refuse to renew the policy.

Signs of fraud with reputable companies include the failure to receive an insurance identification card or a copy of your policy in a timely manner. If you have questions or concerns, contact your insurance company directly or call the [Connecticut Insurance Department](http://www.ct.gov/cid) at 800-203-3447 for assistance.

Report Suspected Insurance Fraud

If you believe you have been a victim of insurance fraud, or if you are aware of an instance of insurance fraud, it is important to report it by:

- Contacting the [Connecticut Insurance Department](http://www.ct.gov/cid), Consumer Affairs Division to file a complaint against the insurance company.
- Visiting www.naic.org and completing the form provided by the Online Fraud Reporting System (OFRS). Through the OFRS, consumers can take a proactive role in identifying and reporting insurance fraud.

Get More Information

Consumers can always get more information or explanation about their insurance policies from the Insurance Department. Visit the [Connecticut Insurance Department](http://www.ct.gov/cid) Web site at www.ct.gov/cid or www.naic.org to find answers to your questions.

Get smart about your insurance needs. For more information about auto, home, life, and health insurance options — as well as tips for choosing the coverage that is right for you and your family — visit www.InsureUonline.org.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

About the NAIC

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more information, visit www.naic.org.

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