



Guide on Insurance Fraud

*Insurance Fraud Reporting
and Immunity Statutes*

It is generally accepted that at least 10% of all property and casualty claims paid are fraudulent, at an annual cost of \$20 billion!

GeneralCologne Re believes that employing the “best practices” in the control and deterrence of insurance fraud can favorably impact your bottom line by reducing your exposure to this problem.

As an industry, we have a long way to go in combating insurance fraud. Conning & Company, a leading research firm, has stated:

“Not all insurers are taking fraud seriously. Some are doing something only because they are required to do so, some are doing little because they don’t see it as important, and some are unaware of the problem and just don’t know what to do.”

The benefit to a company’s bottom line is substantial enough to convince us that every insurer can benefit from a concise guide to managing, controlling and deterring insurance fraud.

In conjunction with the law firm of Katten Muchin Zavis, we are pleased to present this insurance claims fraud reference book.

We are ready to assist you in the ongoing fight against insurance fraud and can work with you to develop quality, cost effective approaches to proactively address this vital issue.

This guide is intended only to provide a general understanding about certain laws of each state and is not legal advice. To properly advise clients, it is imperative that a thorough analysis of the facts of each matter be undertaken. Moreover, these laws will change over time and may be modified or limited by court or legislative action. Please consult an attorney about these summaries before relying upon them in any way.

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INTRODUCTION

*¹/Defense Counsel
Journal, January 1997
Schrenk and
Palmquist, p. 23*

As long as there has been insurance, there has been insurance fraud. In fact, “fraud has been a plague on the institution of insurance from the time people first began pooling their resources to minimize the risk of individual losses.”¹ In the past century, insurance has become inextricably interwoven into virtually every aspect of our everyday lives, and enterprising individuals have been quick to develop fraudulent claims schemes designed to take advantage of every insurance scenario. Human nature being what it is, it is hardly surprising that the industry of defrauding insurers has grown, by even the most conservative estimates, to more than a hundred billion dollars annually.

While details of claims schemes vary, the premise for virtually all is the same: In the never-ending quest to get money to which they are not entitled (the proverbial “free lunch”), people: (1) deliberately cause an insured event to occur; (2) state that an insured event occurred when in fact, it did not; or (3) exaggerate the extent of an injury or loss arising from a legitimate insured event. Practically all insurance fraud schemes involve one of these scenarios.

For example, common schemes in the auto claims area include:

- purchasing policies to report accidents or thefts that never actually occurred;
- intentionally causing damage to vehicles;
- deliberately stopping in front of unsuspecting drivers to create rear-end auto accidents; and
- lying about the extent of damage to vehicles and injuries arising from real accidents.

The same scenarios exist in homeowners’ claims:

- buying policies to report damage, thefts or accidents that never actually occurred;
- deliberately causing insured events, such as fires, to occur; and
- lying about the extent of damages and/or losses arising from legitimate events that occurred at their homes.

In the health care area, the two primary fraud scenarios are:

- providers deliberately billing for services that are not needed or that never actually occurred; and
- people failing to disclose pre-existing health conditions when applying for insurance.

In the workers’ compensation area, common scenarios are:

- purchasing policies to report accidents that never actually occurred or that occurred outside the workplace;
- reporting accidents that never actually occurred;
- lying about the circumstances under which real accidents occurred (i.e., in course of and within scope of employment) to obtain benefits; and
- lying about the extent of injury from a real accident that occurred in the course of and within the scope of employment.

²/Ken Dornstein, *Accidentally On Purpose*, St. Martin's Press, New York (1996), p.21.

³/Id.

⁴/Id. This story paraphrases the version presented in *Accidentally On Purpose*, pg. 21, et.seq. See also, *The Trial of William Codling, Mariner, et.al. for Wilfully and Feloniously Destroying and Casting Away The Brig Adventure* (London: Martha Gurney, 1803), p. 210.

⁵/Accidentally On Purpose, pg. 28. See also John Francis, *Annals, Anecdotes and Legends: A Chronicle of Life Assurance* (London: Longman, Brown, Green, and Longmans, 1853), p. 100-101.

While insurance fraud schemes have evolved over time to fit within the circumstances of modern society, the foundation for them has been in place for centuries. For example, one of the earliest fraud schemes involved the purposeful sinking of ships, otherwise known as ship scuttling. One of the first incidents of ship scuttling was recorded in ancient Greece.² The problem became increasingly worse, and by the early 1700s, ship scuttling was so prevalent that England passed one of the strictest insurance fraud statutes ever, providing for death by hanging as a penalty for conviction.³

The sinking of the ship *Adventure* is typical.⁴ The *Adventure* was purposely sunk off the shore of Brighton, England, in 1902. The ship owners, Easterby and MacFarlane, purchased the *Adventure* at a salvage auction (which, like autos in modern day schemes, was where most scuttled ships were purchased). The ship was then repaired so it could earn the lowest passing grade of seaworthiness. The ship owners then overinsured the ship and told the captain to sink the *Adventure* so they could collect insurance. As with many schemes, the characters committing the fraud were careless.

The captain ordered an inexperienced mate to open the scuttle so the ship would sink. The ship, however, was in shallow water and was sinking so slowly that the captain had to refuse assistance from a nearby fishing vessel. In fact, the next morning the masts of the ship were still visible from the shore. In the end, the captain was prosecuted for his actions and hanged. The shipowners, however, were neither prosecuted nor fined.

As with most criminal activity, when the potential risks of scuttling (i.e., being caught and hanged) began to outweigh the expected benefits (collecting insurance benefits), opportunists began to focus on a new arena—life insurance. “The earliest recorded life insurance fraud, a case of pretended death, comes from England in the 1730s, where a father and daughter staged a succession of scenes in which the daughter appeared to convulse with heart spasms, then go limp in apparent death, while the father stood by in equally convincing grief.”⁵

These schemes traveled from England to America. Eventually, with the advent of automobiles and railroads, it was not long before auto—and railroad—related injury claims became part of the insurance fraud landscape in America. Today, the same schemes exist, though the mediums have changed with the times. In a nutshell, resourceful individuals have been quick to seize opportunities to steal money from insurers through just about every imaginable means.

Insurance fraud comes in many flavors, ranging from isolated crimes of opportunity to sophisticated, organized schemes. This guide will explore various modern-day claims fraud scenarios and discuss the means by which insurers are better detecting, defeating and deterring fraud. While it is unreasonable to expect that insurers will ever eliminate fraud in its myriad forms, it is wholly realistic for insurers to substantially reduce their exposure to this hundred billion dollar-a-year industry.

CURRENT DEVELOPMENTS

As education, awareness and the quantity and quality of information available has vastly improved over time, insurers are taking various measures to better detect, defeat and deter those involved in claims fraud schemes. The modern-day trends include: (1) more thorough claims handling procedures; (2) referrals of potential criminal and disciplinary violations to prosecutors and disciplinary boards; and (3) the pursuit of civil litigation against those involved in fraud. These steps are not mutually exclusive. Indeed, insurers should evaluate the potential risks and benefits of simultaneously pursuing all or some combination of these approaches to pursue a multi-faceted approach against those involved. This section discusses those general trends.

THOROUGH CLAIMS HANDLING

Regardless of the type of fraud at issue, thorough claims handling procedures should be the rule and not the exception. While the circumstances will vary by claim, the following are general procedural guidelines that should be considered in handling different kinds of claims:

1. Auto Theft and Injury Claims

- Identify the policy inception date.

How soon after the inception did the claim occur?

- Identify the coverage purchased and manner of payment.

Did the insured purchase only the coverage triggered by the new claim and/or pay only the minimal amount to obtain the maximum coverage before making the new claim?

- Identify all people involved in the loss and determine if they are who they say they are.
- Check all claims databases for the claims history of the people and the vehicles involved in the loss.

- Take recorded statements, examinations under oath and/or depositions of the involved persons.

Are the stories consistent and do they make sense?

- Obtain photographs of the vehicles involved.

Is the damage old or new?

Does the physical damage match the description of the accident?

Is the physical damage consistent with the injuries claimed?

- Obtain proof of ownership of the involved vehicles.

Are the vehicles owned by the people claiming ownership?

Were they purchased shortly before the new claim?

Were they purchased at auction, a dealership, an identified private party or from an unidentified source?

- Evaluate injuries, treatment and bills, at a minimum, by:

Requesting medical records underlying the bills and narrative reports, including films or results of any alleged diagnostic imaging and tests, to confirm that treatment and/or diagnostics occurred and to evaluate the medical need for it.

Evaluating the CPT billing codes, which are supposed to accurately reflect the severity of the patient's condition, the face-to-face time spent with a doctor or chiropractor and the complexity of the medical decision-making.

Where appropriate, use experts to review the medical documentation and/or to provide independent medical examinations of the individuals involved.

If in litigation, depose the treating doctor or chiropractor to evaluate the basis for diagnosis, consultations and treatment; identify who administered the alleged treatment; confirm that the treatment occurred and was administered by properly licensed individuals; and verify the accuracy and reasonableness of the CPT codes, descriptions of services and charges reflected in the bills.

Compare bills and narrative reports for the pending claim to those from other claims, to determine whether individualized treatment was actually rendered.

2. Property Claims

- Identify the policy inception date.

How soon after the inception date did the claim occur?

- Identify the coverage purchased and manner of payment.

Did the insured purchase only the coverage triggered by the new claim and/or did they pay only the minimal amount to obtain the maximum coverage before making the new claim?

- Identify all people involved in the loss and determine if they are who they say they are.

- Check all claims databases for the claims history of the people and property involved in the loss.

- Take recorded statements, examinations under oath and/or depositions of the involved persons.

Are the stories consistent and do they make sense?

- Obtain proof of ownership of the involved property.

Is the property owned by the person claiming ownership?

Was it purchased shortly before the new claim?

Was it purchased from an identified or unidentified source?

What condition was the property in when it was purchased?

- For fire claims, evaluate the cause and origin of the alleged fire, and if it appears suspicious, consider who would have had a motive and/or opportunity to cause the loss.

3. Health Care Claims

- Identify the policy inception date.

How soon after the inception did the claim occur?

- Identify the coverage purchased and manner of payment.

Did the insured purchase only the coverage triggered by the new claim and/or did they pay only the minimal amount to obtain the maximum coverage before making the new claim?

- Confirm that the insured is who he says he is.

- Check the policy application to verify that there were no undisclosed prior conditions.

- Evaluate injuries, treatment and bills, at a minimum, by:

Requesting medical records underlying the bills and narrative reports, including films or results of any alleged diagnostic imaging and tests, to confirm that treatment and/or diagnostics occurred and to evaluate the medical need for it.

Evaluating the CPT billing codes, which are supposed to accurately reflect the severity of the patient's condition, the face-to-face time spent with a doctor or chiropractor, and the complexity of the medical decision-making.

Where appropriate, using experts to review the medical documentation and/or to provide independent medical examinations.

If in litigation, deposing the treating doctor or chiropractor to evaluate the basis for diagnosis, consultations and treatment; identify who administered the alleged treatment; confirm that the treatment occurred and was administered by properly licensed individuals; and verify the accuracy and reasonableness of the CPT codes, descriptions of services and charges reflected in the bills.

Comparing bills and narrative reports for the pending claim to those from other claims, to determine whether individualized treatment was actually rendered.

4. Workers' Compensation Claims

- For possible application fraud, consider:

Identifying the owner(s) of the insured business and whether they are associated with other businesses with extensive or suspicious claims activity.

Identifying the Tax Identification Number (TIN) of the insured business and whether it has been associated with any other business.

Identifying the policy inception date and how soon afterwards the claim occurred.

Comparing representations made in the policy application regarding the number of employees and their job descriptions with the circumstances of the claim.

- For possible claims fraud, consider:

Identifying all people involved in the loss and determine if they are who they say they are.

Checking the claims databases for the claims history of the people involved in the loss.

- Take recorded statements, examinations under oath and/or depositions of the involved persons.

Are the stories consistent and do they make sense?

- Evaluate injuries, treatment and bills, at a minimum, by:

Analyzing whether the type and severity of the injury is consistent with the nature of the work that the employee was allegedly doing at the time of the injury.

Requesting medical records underlying the bills and narrative reports, including films or results of any alleged diagnostic imaging and tests, to confirm that treatment and/or diagnostics occurred and to evaluate the medical need for it.

Evaluating the CPT billing codes, which are supposed to accurately reflect the severity of the patient's condition, the face-to-face time spent with a doctor or chiropractor, and the complexity of the medical decision-making.

Where appropriate, use experts to review the medical documentation and/or to provide independent medical examinations of the individuals involved.

If in litigation, depose the treating doctor or chiropractor to evaluate the basis for diagnosis, consultations and treatment; identify who administered the alleged treatment; confirm that the treatment occurred and was administered by properly licensed individuals; and verify the accuracy and reasonableness of the CPT codes, descriptions of services and charges reflected in the bills.

Compare bills and narrative reports for the pending claim to those from other claims, to determine whether individualized treatment was actually rendered.

- Is timing of the claim suspicious (e.g., shortly before termination, layoff or strike)?

Common methods of obtaining relevant information include:

- Consensual interviews
- Examinations under oath of insureds
- Internal and industry-wide claims databases
- Public records
- Video surveillance
- Surreptitiously recorded conversations

Of course, any method used to obtain relevant information must be lawful. In that regard, claims handlers and others involved must be sensitive to the following:

- The federal Fair Credit Reporting statute, 15 U.S.C. §1681 *et seq.*, which generally limits the ability of anyone to acquire, use and/or disseminate information gathered for purposes of obtaining credit or insurance.
- State fair claims practices acts, which create obligations and limitations on the way in which claims are handled.
- State privacy laws which generally protect others from unreasonable intrusions into their private affairs.
- State stalking laws, which are designed to protect others from being followed or surveilled in certain manners or for specific purposes.
- State trespass laws, which generally limit the places to which an investigator may have access.
- State deceptive trade practices acts, which generally prohibit unfair, unscrupulous conduct by those involved in a trade or business.
- The federal wiretapping statutes, 18 U.S.C. §2510 *et seq.*, and state eavesdropping statutes, which generally require either or one or all parties in a conversation to consent to the recording and limit the purposes for which such recordings can be made and used.

6/*The crime of false pretenses in most jurisdictions consists of the following five elements: “(1) a false representation of a material present or past fact (2) which causes the victim (3) to pass title to (4) his property to the wrongdoer, (5) who (a) knows his representation to be false and (b) intends thereby to defraud the victim.” In recent years, many states have consolidated these crimes to fall under the general crime of “theft.” Wayne R. LeFave and Austin W. Scott, Criminal Law, 8.7 (2d ed. 1986).*

7/*See the American Bar Association’s Model Rules of Professional Conduct, Rules 7.2 (prohibiting attorneys from giving anything of value to a person for recommending the lawyer’s services, except in limited circumstances) and 8.4 (prohibiting conduct that involves dishonesty, fraud, deceit or misrepresentation).*

8/*The federal mail and wire fraud statutes proscribe any scheme to defraud another money or property if an interstate wire communication, the United States mail or private interstate carriers are used in furtherance of the scheme.*

Too often, claims decisions are made without a thorough effort to obtain or review any such information. While in the short term that approach may be viewed as more efficient and less costly, it will most assuredly increase costs and create inefficiencies in the long term by signaling to those involved in fraud that the insurer is open to paying suspicious claims. Thorough claims handling procedures can provide insurers with information sufficient to make informed claims decisions and, at the same time, send a message to those involved in fraud—that the risks of getting caught while submitting a fraudulent claim far outweigh any potential benefits.

COOPERATION WITH LAW ENFORCEMENT AND DISCIPLINARY BOARDS

While fraud is defined differently under state and federal statutes, be assured that any time someone deliberately lies to get money to which he is not entitled, it is a criminal offense under a state theft, larceny or fraud statute⁶, or a statute that specifically punishes insurance fraud. In addition, one who commits fraud may be subjecting himself to punishment under a state’s disciplinary rules proscribing conduct such as fraud, fee splitting and other inappropriate forms of client solicitation by licensed individuals.⁷ Lastly, insurance fraud is also virtually always a federal criminal offense under the federal mail and/or wire fraud statutes (18 U.S.C. §1341 and 1343) among others.⁸

Therefore, when tangible evidence of fraudulent and/or unethical conduct exists, insurers should consider referring it to appropriate law enforcement agencies, disciplinary boards and/or the National Insurance Crime Bureau. Criminal prosecution and disciplinary action can act as a significant deterrent to those who choose to engage in fraudulent and unethical conduct. In fact, to facilitate relationships among insurers, law enforcement agencies and disciplinary boards, several states have enacted statutes that require or permit insurers to report suspicious activity and provide immunity from potential civil liability relating to such communications. As reflected in the tables in the next section, the reporting requirements and the immunity available to insurance companies vary by state.

While cooperation with law enforcement and disciplinary boards should be encouraged, insurers should also recognize the disadvantages of relying exclusively on law enforcement and disciplinary boards in combating fraud:

- Law enforcement and disciplinary agencies are often unable or unwilling to commit the resources necessary to effectively investigate and prosecute insurance fraud cases.
- Law enforcement and disciplinary agencies may not share the same motivation and timetable as insurers, and it may take several years for them to see a case through.
- In criminal and disciplinary cases, insurers will have little, if any, control of whether charges are brought, the nature of any charges, who is charged, when they are charged, where they are charged, what discovery is conducted and what dispositions are agreed to by the government agencies.

Finally, communications with law enforcement and disciplinary agencies may not be privileged and may subject insurers to a civil lawsuit at the least, and potential liability for defamation, bad faith or malicious prosecution at worst, regardless of state immunity statutes.

REPORTING STATUTES

The statutes described in the following chart were effective as of December 2000. The chart generally summarizes aspects of each relevant statute and should not be relied upon without fully reviewing the particular statutes in their entirety.

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
United States	<p>42 U.S.C. § 1320a-7c A person with information regarding fraud or abuse with respect to health plans or with information facilitating the enforcement of § 1320a-7, § 1320a-7a, or § 1320a-7b MAY report</p>	<p>42 U.S.C. § 1320a-7c - The Secretary of Health and Human Services - or the U.S. Attorney General</p>	<p>42 U.S.C. §1320a-7c & § 1320c-6(a) Immunity granted unless the information is false and the person providing the information knew or should have known that it is false</p>
	<p>42 U.S.C. § 1395b-5 Any person with information on an individual or entity who is engaging or has engaged in acts or omissions constituting grounds for civil or criminal sanctions (as defined under § 1320a-7, § 1320a-7a, and §1320a-7b) or has otherwise engaged in fraud and abuse against the Medicare program MAY report</p>	<p>42 U.S.C. § 1395b-5 - The Secretary of Health and Human Services</p>	<p>42 U.S.C. §1320a-7c & § 1320c-6(a) Immunity granted unless the information is false and the person providing the information knew or should have known that it is false</p>
Alabama	<p>§ 36–19–42 If an insurer has reason to believe that a fire loss to its insured’s real or personal property was caused by other than accidental means, then it SHALL report</p>	<p>§ 36–19–42 - State Fire Marshal - or other law enforcement agency</p>	<p>§ 36–19–43 Immunity granted if the report was made in absence of fraud or malice</p>
Alaska	<p>§ 21.36.390(a) An insurer or licensee that has reason to believe that a fraudulent claim (as defined in § 21.36.360) has been made against it SHALL report</p>	<p>§ 21.36.390(a) Director of Insurance</p>	<p>§ 21.36.390(c) Immunity granted if the report was made in good faith</p>
	<p>§ 21.36.365 Any person MAY report suspected, anticipated, or completed fraudulent acts (as defined in § 21.36.360)</p>	<p>§ 21.36.365 - law enforcement officials - National Association of Insurance Commissioners - Division of Insurance - an agency in a state that regulates insurance - or an organization established to detect and prevent fraudulent insurance acts</p>	<p>§ 21.36.365 Immunity granted if the report made was not a result of reckless, willful, or intentional misconduct</p>
	<p>§ 21.89.050(a) When an insurer has reason to believe that a fire loss to its insured’s real or personal property may have been caused by other than accidental means, it SHALL immediately report</p>	<p>§ 21.89.050(a) Department of Public Safety</p>	<p>§ 21.89.050(h) Immunity granted unless the report was a malicious attempt to injure an insured</p>
Arizona	<p>§ 20–466(F) An insurer (as defined in § 20–441) that believes a fraudulent claim (as defined in § 20–463) has been or is being made SHALL report</p>	<p>§ 20–466(F) MUST report to the Director of Insurance (fraud unit) § 20–463(B) MAY ALSO report to - Director of Insurance - Law enforcement officials - National Association of Insurance Commissioners - Other state insurance departments, a federal or state agency or bureau established to detect and prevent fraudulent insurance acts - Or an organization established by insurers to assist in the detection and prevention of fraudulent insurance acts</p>	<p>§ 20–466(H) Immunity granted concerning reports made to the Director of Insurance if the report was made in good faith § 20–463(B) Immunity granted concerning other reports if the report made was absent malice, fraudulent intent, or bad faith</p>
	<p>§ 20–1902 If an insurer (as defined in § 20–1901(1)) has reason to believe that a loss to its insured’s real or personal property may be based on a false or fraudulent claim (only involving cases of suspected auto theft or arson), then it SHALL report in writing</p>	<p>§§ 20–1901 & 20–1902 - State Fire Marshal - the Director of the Department of Public Safety - a county attorney - a county sheriff - the attorney general - the fire department - or the police agency</p>	<p>§ 20–1903 Immunity granted if the report was made in good faith</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Arkansas	<p>§ 23–66–505(a) A person engaged in the business of insurance having knowledge or a reasonable belief that a fraudulent insurance act (as defined in §23–66–501(d)) is being, will be, or has been committed SHALL report</p>	<p>§ 23–66–501 & 505(a) MUST report to the Insurance Commissioner § 23–66–506 MAY ALSO report to</p> <ul style="list-style-type: none"> - Federal, state, or local law enforcement or regulatory officials - Organizations employed by insurers which investigate suspected fraudulent insurance acts - or the National Association of Insurance Commissioners 	<p>§ 23–66–506 Immunity granted if the report was made absent malice</p>
	<p>§ 11–9–106(a)(1) & (d)(6) Every carrier or employer who suspects that a person willfully and knowingly made a material false statement or representation concerning a Workers' Compensation claim SHALL report</p>	<p>§ 11–9–106(d)(2) & (6) Workers' Compensation Fraud Investigation Unit</p>	<p>§ 11–9–106(d)(6) Immunity granted unless the reporter acted maliciously or knowingly and intentionally included false information</p>
California	<p>CA Ins. Code § 1872.4(a) An insurer that believes a claim is fraudulent SHALL report within 60 days of such determination</p>	<p>CA Ins. Code § 1872.4(a) MUST report to the Bureau of Fraudulent Claims CA Ins. Code § 1872.5(a) MAY ALSO report to</p> <ul style="list-style-type: none"> - law enforcement officials - or licensing officials governed by the Business and Professions Code 	<p>CA Ins. Code § 1872.5 Immunity granted if the report was made without malice</p>
	<p>CA Ins. Code § 1874.2(b) If an insurer knows or reasonably believes that a person has committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim, then it SHALL report</p>	<p>CA Ins. Code § 1874.2(b) MUST report to</p> <ul style="list-style-type: none"> - a local police department - the sheriff's office - Department of California Highway Patrol - or the district attorney's office <p>CA Ins. Code § 1874.2(b) MAY ALSO report to</p> <ul style="list-style-type: none"> - Department of Insurance - Department of Justice - a federal law enforcement agency - or any licensing agency governed by the Business and Professions Code 	<p>CA Ins. Code § 1874.4 Immunity granted if the report was made absent fraud or malice</p>
	<p>CA Ins. Code § 1875.2 If an insurer has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p>	<p>CA Ins. Code §§ 1875 & 1875.2</p> <ul style="list-style-type: none"> - State Fire Marshal - Director of the Department of Forestry and Fire Protection - any fire department chief - any fire protection district chief - Attorney General - any district attorney - any peace officer - Department of Insurance - or any federal agency 	<p>CA Ins. Code § 1875.4 Immunity granted if the report was made absent fraud or malice</p>
	<p>CA Ins. Code § 1877.3(b) If an insurer knows or reasonably believes that a person has committed a fraudulent act relating to a workers' compensation insurance claim or policy, then it SHALL report</p>	<p>CA Ins. Code § 1877.3(b) MUST report to the local district attorney's office AND the Bureau of Fraudulent Claims of the Department of Insurance CA Ins. Code §§ 1877.1 & 1877.3(b) MAY ALSO report to</p> <ul style="list-style-type: none"> - Attorney General - Department of Industrial Relations - or any licensing agency governed by the Business and Professions Code 	<p>CA Ins. Code § 1877.5 Immunity granted if the reporter acted in good faith, without malice, and reasonably believed that the action taken was warranted by the then known facts, obtained by reasonable efforts</p>
	<p>CA Ins. Code § 1879.5 Any person who believes that a violation of this article has been or is being made MAY report</p>	<p>CA Ins. Code § 1879.5 The Department of Insurance</p>	<p>CA Ins. Code § 1879.5 Immunity granted if the report is made in good faith and without malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Colorado	<p>§ 10–4–1003 When any person (defined in § 10–4–1002(4) as any natural person, firm, partnership, association, or corporation) or insurer has reason to believe that a fire loss to its insured’s real or personal property may have been caused by other than accidental means or that any insurance claim may be fraudulent, such person MAY report, and such insurer SHALL report</p>	<p>§§ 10–4–1002(1) & 10–4–1003 A person MAY report and an insurer MUST report to:</p> <ul style="list-style-type: none"> - Fire departments or other law enforcement agencies - The Colorado Bureau of Investigation - any district attorney or county attorney - or any professional licensing board, including the Division of Insurance 	<p>§ 10-4-1005 Immunity granted if the report was made with knowledge that it was false, or if the report was made with reckless disregard for its truth or veracity</p>
Connecticut	<p>§ 38a–988(f) An insurance institution (as defined in § 38a–976(l)) MAY disclose confidential information concerning an insured for the purpose of detecting, preventing, or prosecuting fraudulent activity in connection with insurance transactions (as defined in § 38a–976(n))</p> <p>§ 38a–356(a) An insurance company MAY provide and disclose information relating to fraud or potential fraud concerning a claim under a motor vehicle insurance policy</p> <p>§ 38a–318(b) If an insurance company has reason to suspect that a fire loss to its insured’s real or personal property was caused by incendiary means, then it SHALL report</p> <p>§ 53–445(a) Any person, including an insurer (defined in § 53–441(c) to include workers’ compensation insurance provider) who has knowledge or reason to believe that health insurance fraud (as defined in § 53–442) has occurred, SHALL report</p>	<p>§ 38a–988(f) A law enforcement or governmental authority, another insurance institution, or any person (as defined in 175I § 2)</p> <p>§ 38a–356(a) - Department of Public Safety - Department of Motor Vehicles - or a local police department</p> <p>§ 38a–318(b) & (f) - State Fire Marshal or a local fire marshal - or Insurance Commissioner</p> <p>§ 53–445(a) MUST report to the Insurance Commissioner § 53–445(c) MAY ALSO report to any person if reasonably necessary to detect, investigate, or prevent fraudulent activity</p>	<p>§ 38a–996 Immunity granted except for persons disclosing false information with malice or willful intent to injure any person</p> <p>§ 38a–356(c) Immunity granted if the report was made absent fraud, malice, or criminal act</p> <p>§ 38a–318(c) Immunity granted if the report was made absent fraud, malice, or criminal act</p> <p>§ 53–445(d) Immunity granted unless the report was made with malice or willful intent to injure any person</p>
Delaware	<p>Title 18 § 2408 An insurer (as defined in Title 18 § 2403(g)) which has a reasonable belief that an act of insurance fraud (as defined in Title 18 § 2407) is being, or has been, committed SHALL report</p> <p>Title 16 § 6811(b) When an insurance company has reason to believe that a fire loss to its insured’s real or personal property may be of other than accidental cause, and such fire loss is in excess of \$5,000, it SHALL report in writing</p>	<p>Title 18 § 2408 MUST report to the Delaware Insurance Fraud Prevention Bureau Title 18 § 2409 MAY ALSO report to</p> <ul style="list-style-type: none"> - Insurance Department - National Association of Insurance Commissioners - or any organization established to detect and prevent fraudulent insurance acts <p>Title 16 §§ 6810 & 6811(b) - State Fire Marshal - the state or local police - Department of Justice of the State - Federal Bureau of Investigation or any other federal agency - or the United States Attorney’s Office</p>	<p>Title 18 § 2409 Immunity granted if the report was made absent fraud or bad faith</p> <p>§ 6811(3)& § 6810(a)(5) Immunity granted absent actual malice</p>
District of Columbia	<p>§ 4–317(b) If an insurer has reason to believe that a fire loss to its insured’s real or personal property may have been caused by other than accidental means, then it SHALL report in writing</p> <p>§ 22-3825.8(a) An insurer, insurance professional, or any other pertinent person, based on a reasonable belief that actions may constitute insurance fraud, SHALL report</p>	<p>§ 4-317(a) & (b) - Fire Marshal - or any agency empowered to investigate the cause of and the circumstances surrounding a fire</p> <p>§ 22-3825.8(a) - Metropolitan Police Department - or the Department of Insurance and Securities Regulation</p>	<p>§ 4-317(c) Immunity granted if the report was made in good faith</p> <p>§ 22-3825.8(e) Immunity granted if the report is made without malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Florida	<p>§ 626.989(6) If an insurer has knowledge or belief that a fraudulent insurance act (as defined in § 817.234) is being or has been committed, then it SHALL report</p> <hr/> <p>§ 633.175(2) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means then it SHALL report</p> <hr/> <p>§ 440.105(1)(a) If an insurance carrier has knowledge or belief that a fraudulent act (as defined in § 440.105(4)) concerning workers' compensation is being or has been committed, then it SHALL report</p>	<p>§ 626.989(6) MUST report to the Division of Insurance Fraud § 626.989(4) MAY ALSO report to</p> <ul style="list-style-type: none"> - law enforcement officials - National Insurance Crime Bureau - or the National Association of Insurance Commissioners <hr/> <p>§ 633.175(2) MUST report to the State Fire Marshal § 633.175(3) MAY ALSO report to</p> <ul style="list-style-type: none"> - Investigators employed by insurance companies - or the National Insurance Crime Bureau <hr/> <p>§ 440.101(5)(1)(a) MUST report to the Division of Insurance Fraud, Bureau of Workers' Compensation Fraud § 440.101(1)(b) MAY ALSO report to</p> <ul style="list-style-type: none"> - Law enforcement officials - or National Association of Insurance Commissioners 	<p>§ 626.989(4) Immunity granted if the report was made absent fraud, bad faith, or malice</p> <hr/> <p>§ 633.175(4) Immunity granted concerning reports made to the State Fire Marshal if the insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means § 633.175(3) Immunity granted concerning reports made to investigators employed by insurance companies or the National Insurance Crime Bureau if such reports were made absent fraud, bad faith, or malice</p> <hr/> <p>§ 440.101(5)(b) Immunity granted if the report was made absent fraud, bad faith, or malice</p>
Georgia	<p>§ 33-1-16(f) When an insurer has knowledge or belief that a fraudulent act (as defined in § 33-1-16(a)) is being or has been committed, it SHALL report</p> <hr/> <p>§ 33-1-16(f) Any person with knowledge or belief that a fraudulent act (as defined in § 33-16(a)) is being or has been committed MAY report</p> <hr/> <p>§ 33-1-16(g) When an insurer has knowledge or belief that a fraudulent act (as defined in § 33-1-16(a)) is being or has been committed, it MAY report</p> <hr/> <p>§ 34-9-24(d) Any person or entity MAY report suspected fraud under workers' compensation laws</p> <hr/> <p>§ 25-2-33(b) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p>	<p>§ 33-1-16(f) Commissioner of Insurance</p> <hr/> <p>§ 33-1-16(f) The Commissioner of Insurance</p> <hr/> <p>§ 33-1-16(g) - Federal, state, county, or consolidated police or law enforcement departments - or any prosecuting official of the federal, state, county, local, or consolidated government</p> <hr/> <p>§ 34-9-24(a) & (d) State Board of Workers' Compensation</p> <hr/> <p>§ 25-2-33(b) State Fire Marshal</p>	<p>§ 33-1-16(d) Immunity granted if the report was made absent fraud, bad faith, or malice</p> <hr/> <p>§ 33-1-16(d) Immunity granted if the report was made absent fraud, bad faith, or malice</p> <hr/> <p>§ 33-1-16(g) Immunity granted if the report was made absent fraud or bad faith</p> <hr/> <p>§ 34-9-24(d) Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>§ 25-2-33(c) Immunity granted if the report was made absent fraud or malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Hawaii	<p>§ 132–4.5(b) If an insurer has reason to suspect that a fire loss to its insured’s real or personal property was caused by incendiary means, then it SHALL report</p> <hr/> <p>§ 431:10C–307.7(h) If an insurer has reason to believe that a fraudulent claim (as defined in § 431:10C–307.7(a)) concerning motor vehicle insurance is being made, then it SHALL report within 60 days</p> <hr/> <p>§ 431:10C–307.7(d) A person with information regarding anticipated, suspected, or completed fraudulent insurance act MAY report</p>	<p>§ 132–4.5(b) County Fire Chief</p> <hr/> <p>§ 431:10C–307.7(h) MUST report to the Insurance Fraud Investigation Unit § 431:10C–307.7(d) MAY ALSO report to</p> <ul style="list-style-type: none"> - Insurance Commissioner - National Association of Insurance Commissioners - any federal, state, or county law enforcement or regulatory agency - or another insurer for the purpose of preventing, investigating, or prosecuting insurance fraud <hr/> <p>§ 431:10C–307.7(d)</p> <ul style="list-style-type: none"> - Insurance Commissioner - the Insurance Fraud Investigations Unit - National Association of Insurance Commissioners - any federal, state, or county law enforcement or regulatory agency - or another insurer for the purpose of preventing, investigating, or prosecuting insurance fraud 	<p>§ 132–4.5(c) Immunity granted if the report was made absent fraud, malice or criminal act</p> <hr/> <p>§ 431:10C–307.7(d) Immunity granted if the report was made absent malice</p> <hr/> <p>§ 431:10C–307.7(d) Immunity granted if the report was made absent malice</p>
Idaho	<p>§ 41–290 If an insurer (as defined in § 41–291(12)) has facts to support a belief that a fraudulent claim (as defined in 41–293) is being or has been made, then it SHALL report such facts within 60 days</p> <hr/> <p>§ 41–292(2) When an insurance company has facts to support a belief that a loss to its insured’s real or personal property may be of other than accidental cause, it SHALL report in writing</p>	<p>§ 41–290 MUST report to the Director of Insurance § 41-292(5) MAY ALSO report to</p> <ul style="list-style-type: none"> - law enforcement officials - Department of Insurance Frauds Bureau - National Insurance Crime Bureau - or any organization established to detect and prevent fraudulent insurance acts <hr/> <p>§ § 41–291 & 41–292(2) MUST report to</p> <ul style="list-style-type: none"> - Director of the Department of Insurance - State Fire Marshal - Director, Department of Law Enforcement - a local prosecuting attorney - or an attorney designated by the Attorney General for prosecution in the county where the fire or fraud occurred <p>§ 41-292(5) MAY ALSO report to</p> <ul style="list-style-type: none"> - law enforcement official - Department of Insurance Frauds Bureau - National Insurance Crime Bureau - or any organization established to detect and prevent fraudulent insurance acts 	<p>§ 41–292(5) Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>§ 41–292(5) Immunity granted if the report was made absent fraud or malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Illinois	<p>215 § 145/1(b) If an insurance company has reason to believe that a fire loss to its insured's real or personal property was caused by other than accidental means, then it SHALL report</p> <p>215 § 5/155.24(c) When an insurer knows or reasonably believes to know the identity of a person whom it has reason to believe committed a fraudulent act relating to a motor vehicle theft or a motor vehicle insurance claim, it SHALL report</p> <p>215 § 5/1014 An insurance institution or agent with personal or privileged information about an individual collected or received in connection with an insurance transaction MAY report</p>	<p>215 § 145/1(b)</p> <ul style="list-style-type: none"> - Fire Marshal - Director of the Department of Insurance - or any law enforcement agency charged with the responsibility to investigate fire losses <p>215 § 5/155.24 (a) & (c)</p> <ul style="list-style-type: none"> - Illinois Department of State Police - a local governmental police department - a county sheriff's office - a State's Attorney - a municipal attorney - a United States district attorney - a duly constituted criminal investigative agency of the U.S. Government - Illinois Department of Insurance - Illinois Department of Professional Regulation - or the office of the Illinois Secretary of State <p>215 § 5/1014(b)(2)(b) A person if such disclosure is reasonably necessary to enable such person to provide the insurance institution or agent with information for the purpose of detecting or preventing criminal activity, fraud, material misrepresentation, or material non-disclosure in connection with an insurance transaction</p> <p>215 § 5/1014(C)(1) An insurance institution, agent, insurance-support organization or self-insurer provided the information is limited to that which is reasonably necessary to detect or prevent criminal activity, fraud, material misrepresentation, or material non-disclosure in connection with an insurance transaction</p> <p>215 § 1014(E) An insurance regulatory authority</p> <p>215 § 1014(F) To a law enforcement or other governmental authority:</p> <ul style="list-style-type: none"> - to protect the interests of the insurance institution or agent in preventing or prosecuting the perpetration of fraud upon it; or - if the insurance institution or agent reasonably believes that illegal activities have been conducted by the individual 	<p>215 § 145/1(c) Immunity granted if the report was made absent malice</p> <p>215 § 5/155.24(h) Immunity granted for the report if the insurer knows or reasonably believes to know the identity of a person whom it has reason to believe committed a fraudulent act relating to a motor vehicle theft or a motor vehicle insurance claim</p> <p>215 § 5/1022 Immunity granted unless false information is disclosed with malice or willful intent to injure any person</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Indiana	<p>§ 27-1-3-22(c) Any person MAY report a suspected, anticipated, or completed fraudulent insurance act (as defined in § 27-1-3-22(a) & (b))</p> <hr/> <p>§ 27-2-13-3(a) When an insurer has reason to believe that a fire loss to its insured's real or personal property was caused by a means that was not accidental, it SHALL report in writing</p> <hr/> <p>§ 27-2-19-6(a) An insurer that has reason to believe that an application for insurance or a claim for insurance is being, or is likely to be, presented based upon misrepresentation with intent to defraud MAY report</p> <hr/> <p>§ 27-2-14-2 If an insurer has reason to believe that a vehicle theft claim is fraudulent, then it SHALL report in writing</p>	<p>§ 27-1-3-22(c)</p> <ul style="list-style-type: none"> - Department of Insurance - law enforcement officials - National Association of Insurance Commissioners - any agency or bureau of federal or state government established to detect and prevent fraudulent insurance acts - or any other organization established to detect and prevent fraudulent insurance acts <hr/> <p>§ 27-2-13-3(b)</p> <ul style="list-style-type: none"> - State Fire Marshal - a fire department - the superintendent of the state police - the prosecuting attorney responsible for prosecutions in the county where the fire occurred - Attorney general - or an arson investigator <hr/> <p>§ 27-2-19-6(a)</p> <ul style="list-style-type: none"> - any law enforcement agency - any governmental agency - or other insurers <hr/> <p>§§ 27-2-14-1 & 27-2-14-2</p> <ul style="list-style-type: none"> - State Police - the prosecuting attorney responsible for prosecutions in the county where the theft occurred - or any law enforcement agency 	<p>§ 27-1-3-22(c) Immunity granted if the report was made absent malice, fraudulent intent, or bad faith</p> <hr/> <p>§ 27-2-13-4(c) Immunity granted for the report if the insurer has reason to believe that a fire loss to its insured's real or personal property was caused by a means that was not accidental</p> <hr/> <p>§ 27-2-19-7(b) Immunity granted if the report was made in good faith</p> <hr/> <p>§ 27-2-14-4(c) Immunity granted for the report if the insurer has reason to believe that a vehicle theft claim is fraudulent</p>
Iowa	<p>§ 507E.6 An insurer which believes that a fraudulent claim (as defined in § 507E.3) is being made, SHALL report within 60 days of receiving such a claim</p> <hr/> <p>§ 100A.2(2) When an insurance company has reason to believe that a fire loss to its insured's real or personal property was caused by something other than an accident, it SHALL report in writing</p>	<p>§ 507E.6 MUST report to the Insurance Fraud Bureau</p> <p>§ 507E.7(1) MAY ALSO report to</p> <ul style="list-style-type: none"> - law enforcement officials - the National Association of Insurance Commissioners, the insurance division, a federal or state governmental agency or bureau established to detect and prevent fraudulent insurance acts, or any other organization established for such purposes - or an authorized representative of an insurer <hr/> <p>§§ 100A.1(1) & 100A.2(2)</p> <ul style="list-style-type: none"> - State Fire Marshal - Commissioner of Public Safety - the county attorney responsible for prosecutions in the county where a fire occurs - Attorney General - the Federal Bureau of Investigation or other federal agency requesting information on a fire loss - United States Attorney's Office - the fire chief of the city where the fire occurs - the sheriff of the county where the fire occurs - or the Fraud Bureau within the Insurance Division of the Department of Commerce 	<p>§ 507E.7(1) Immunity granted if the report was made absent malice, fraudulent intent, or bad faith</p> <hr/> <p>§ 100A.2(5) Immunity granted if the report was made absent malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Kansas	<p>§ 40–2,119 Any person MAY report suspected fraudulent insurance acts (as defined in § 40–2,118)</p> <hr/> <p>§ 31–403(b) When an insurance company has reason to believe that a fire to its insured’s real or personal property loss was caused by other than accidental means, it SHALL report in writing</p> <hr/> <p>§ 44–5,122(b) Any person MAY report a fraudulent act concerning workers’ compensation (as defined in § 44–5,120)</p>	<p>§ 40–2,119(4) - Insurance Department - National Association of Insurance Commissioners - or any organization established to detect and prevent fraudulent insurance acts</p> <hr/> <p>§§ 31–402(a) & 31–403(b) - State Fire Marshal; - Attorney General of Kansas - a district or county attorney - all law enforcement agencies - or all official fire fighting agencies</p> <hr/> <p>§ 44–5,122(b) Division of Workers Compensation of the Department of Human Resources</p>	<p>§ 40-2,119 Immunity granted if the report was made absent fraud, bad faith, or malice</p> <hr/> <p>§ 31–403(e) Immunity granted for the report if the insurer has reason to believe that a fire to its insured’s real or personal property loss was caused by other than accidental means</p> <hr/> <p>§ 44–5,123 Immunity granted if the report was made in good faith and without malice</p>
Kentucky	<p>§ 304.47–050(2) If an insurer (as defined in § 304.47–010(1)) has knowledge or belief that a fraudulent insurance act (as defined in § 304.47–020) is being or has been committed, then it SHALL report</p> <hr/> <p>§ 304.47–050(1) Any person having knowledge or believing that a fraudulent insurance act (as defined in § 304.47–020) is being or has been committed MAY report</p> <hr/> <p>§ 304.20–160(2) When an insurer has reason to believe that a fire loss to its insured’s real or personal property may be of other than accidental cause, it SHALL report in writing</p>	<p>§ 304.47–050 MUST report to the Insurance Fraud Unit (or Workers’ Compensation Branch when applicable) § 304.47–060 MAY ALSO report to - any federal, state, county, or consolidated police or law enforcement department - or any prosecuting official of the federal, state, county, local, or consolidated government - Department of Worker’s Claims - Commissioner of National Association of Insurance Commissioners</p> <hr/> <p>§ 304.47–050(1) MUST report to the Insurance Fraud Unit (or Workers’ Compensation Branch when applicable) § 304.47–060 MAY ALSO report to - any federal, state, county, or consolidated police or law enforcement department - or any prosecuting official of the federal, state, county, local, or consolidated government - Department of Worker’s Claims - Commissioner or the National Association of Insurance Commissioners</p> <hr/> <p>§§ 304.20–150(1) & 304.20–160(2) - State Commissioner of Insurance - State Fire Marshal - State Attorney General - the commissioner of the Department of State Police - the Commonwealth’s or county attorney - the Federal Bureau of Investigation or any other federal agency having the authority to investigate federal offenses arising from arson - or the United States Attorney’s Office</p>	<p>§ 304.47-050(8) Immunity granted if the report was made absent fraud, malice, or gross negligence</p> <hr/> <p>§ 304.47-060(1) Immunity granted if the report was made absent fraud, malice, or gross negligence</p> <hr/> <p>§§ 304.20-160(5), 304.47-060(1) Immunity granted if the report was made in good faith and absent malice or fraudulent intent, unless: • it has provided information which it knows, or has reason to believe, to be false, inaccurate, or lacking substantial foundation in fact; and • the reporting of said information is solely for the purpose of delaying or withholding payment of an insurance claim, which the insurer would not otherwise be justified in delaying or withholding</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Louisiana	<p>Title 22 § 1245 Any person, company, or other legal entity including but not limited to those engaged in the business of insurance, including agents, brokers, and adjusters, which believes that a fraudulent claim is being made SHALL report within 60 days of receiving such notice</p>	<p>Title 22 § 1245 MUST report to the Section of Insurance Fraud of the Department of Insurance Title 22 § 1247(A) MAY ALSO report to - law enforcement officials - National Association of Insurance Commissioners - or a federal or state agency or any organization established to detect and prevent fraudulent insurance acts</p>	<p>Title 22 § 1247(A) Immunity granted if the report was made absent malice, fraudulent intent, or bad faith</p>
	<p>Title 40 § 1568.2(B) If an insurance company has reason to believe that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p>	<p>Title 40 § 1568.2(B) MUST report to the Fire Marshal Title 40 § 1568.2(B) MAY ALSO report to the chief executive officer of a law enforcement agency or fire department</p>	<p>Title 40 § 1568.2(C) Immunity granted if the report was made in good faith and absent fraud or malice</p>
	<p>Title 23 § 1200.2(B) Any person who believes that a fraudulent workers' compensation claim (as defined in Title 23 § 1200.2(D)) is being made SHALL report within 60 days</p>	<p>Title 23 § 1200.2(B) Section of Insurance Fraud of the Department of Insurance</p>	<p>Title 23 § 1220.2(C) Immunity granted if the report was made absent malice, fraudulent intent, or bad faith</p>
	<p>Title 40 § 1425 Any person with information concerning any suspected, anticipated, or completed criminal or fraudulent act MAY report</p>	<p>Title 40 § 1425 Any person employed by or authorized by an insurer whose activities include the investigation or reporting of suspected fraudulent insurance acts</p>	<p>Title 40 § 1425 Immunity granted unless false information is provided with actual malice or willful intent to injure any person</p>
	<p>24-A § 2186(4) An insurer (as defined in 24-A § 2186(4)) SHALL prepare an annual report relating to fraudulent insurance acts (as defined in 24-A § 2186(1)) that the insurer knows or reasonably believes had been committed during the previous year</p>	<p>24-A § 2186(4) Superintendent of Insurance</p>	<p>24-A § 2187(5) Immunity granted if the report was made absent fraud, malice, or bad faith</p>
	<p>24-A § 2187(3) & 24-A § 2215 An insurer, in order to detect, prevent, and assist in the investigation of fraudulent insurance activity, MAY report</p>	<p>24-A §§ 2187(3) & 2215 - Attorney General - a district attorney responsible for prosecution in the municipality where the fraud occurred - Federal Bureau of Investigation - State Fire Marshal - Superintendent of Insurance - Superintendent of Banking - the state or local law enforcement officials - National Association of Insurance Commissioners - or other insurers with an interest in the fraudulent activity</p>	<p>24-A §§ 2187(5) & 2218 Immunity granted if the report was made absent fraud, malice, bad faith, or willful intent to injure a person</p>
<p>24-A § 2187(3) Any person with information relating to suspected, anticipated, or completed fraudulent insurance acts MAY report</p>	<p>24-A §§ 2187(5) & 2187(1)(B) - Attorney General - a district attorney responsible for prosecution in the municipality where the fraud occurred - Federal Bureau of Investigation - State Fire Marshal - Superintendent of Insurance - Superintendent of Banking - the state or local law enforcement officials - National Association of Insurance Commissioners</p>	<p>24-A § 2187(5) Immunity granted if the report was made absent fraud, malice, or bad faith</p>	
<p>25 § 2412(2) When an insurance company has reason to believe that a fire loss to its insured's real or personal property was not accidentally caused, it SHALL report in writing</p>	<p>25 §§ 2411(2) & 2412 (2) - Attorney General - a district attorney responsible for prosecution in the municipality where the fire occurred - the Federal Bureau of Investigation or any other federal agency - State Fire Marshal - Superintendent of Insurance - or the United States Attorney's Office</p>	<p>25 § 2411(3) & 25 § 2412(5) Immunity granted if the report made was absent fraud or malice</p>	
Maine			

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Maryland	<p>MD Ins. Code § 27–802(a) If an insurer (as defined in § 1–101(v)) has, in good faith, cause to believe that insurance fraud (as defined in § 27–801(c)) has been or is being committed, then it SHALL report in writing</p>	<p>MD Ins. Code § 27–802(a) - Maryland Insurance Commissioner - Insurance Fraud Division of the Maryland Insurance Administration - or an appropriate federal, state, or local law enforcement authority</p>	<p>MD Ins. Code § 27–802(c) Immunity granted if the report was made in good faith</p>
Massachusetts	<p>175I § 13 An insurance institution (as defined in 175I § 2) MAY disclose confidential information concerning an insured for the purpose of detecting, preventing, or prosecuting fraudulent activity in connection with insurance transactions (as defined in 175I § 2)</p>	<p>175I § 13 A law enforcement or governmental authority, another insurance institution, or any person</p>	<p>175I § 21 Immunity granted except to - persons who disclose false information with malice or willful intent - any person who misidentifies an individual as the subject of information and who discloses such information to others</p>
	<p>148 § 32 If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p>	<p>148 § 32 - State Fire Marshal - the police or fire department - or other appropriate law enforcement agencies</p>	<p>148 § 32 Immunity granted if the report was made absent fraud, malice, or criminal act</p>
Michigan	<p>§ 500.4507(2) If an insurer (as defined in § 500.4501(d)) believes it knows the identity of a person who it has reason to believe committed a fraudulent insurance act (as defined in § 500.4503) or has a knowledge of a suspected fraudulent insurance act, then it MAY report</p>	<p>§§ 500.4501(a) & 500.4507(2) - Department of State Police - a city, village, or township police department - a county sheriff's department - a United States criminal investigative department or agency - the prosecuting authority of a city, village, township, county, or state or of the United States - the Insurance Bureau - Department of State - National Association of Insurance Commissioners - or any organization for the purpose of detecting and preventing fraudulent activity</p>	<p>§ 500.4509(3) Immunity granted if the report was made absent malice</p>
	<p>§ 500.4509(1) A person with information regarding suspected or completed insurance fraud MAY report</p>	<p>§ 500.4509(1) - the Insurance Bureau - the National Association of Insurance Commissioners - any federal, state, or governmental agency established to detect and prevent insurance fraud - any other organization</p>	<p>§ 500.4509(1) Immunity granted if the report was made absent malice unless the person knows that the report or other information contains false information pertaining to any material fact or thing</p>
	<p>§ 29.4(5) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p>	<p>§ 29.4(5) State Fire Marshal</p>	<p>§ 29.4(6) Immunity granted absent malice or fraud</p>
	<p>§ 29.4(3) A fire and casualty insurance company MAY report any suspected arson</p>	<p>§ 29.4(3) - State Fire Marshal - or the chief of an organized fire department</p>	<p>§ 29.4(6) Immunity granted absent malice or fraud</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Minnesota	<p>§ 60A.952(2) If an insurer (as defined in § 60A.951(5)) has reason to believe that an insurance fraud (as defined in § 60A.951(4)) has been committed, then it SHALL report in writing</p>	<p>§§ 60A.951(2) & 60A.952(2)</p> <ul style="list-style-type: none"> - the county attorney, sheriff, or chief of police responsible for investigations in the county where the suspected insurance fraud occurred - Superintendent of the Bureau of Criminal Apprehension - Commissioner of Commerce - Commissioner of Labor and Industry - Attorney general - or any duly constituted criminal investigative department or agency of the United States 	<p>§ 60A.952(3) Immunity granted if the report was made in good faith</p>
	<p>§ 299F.054(2) If an insurance company has reason to believe that a fire loss or potential fire loss may be of other than accidental cause, then it SHALL report in writing</p>	<p>§§ 299F.053(2) & 299F.054(2)</p> <ul style="list-style-type: none"> - State Fire Marshal - Superintendent of the Bureau of Criminal Apprehension - a local prosecuting attorney - the county sheriff or chief of police - the Federal Bureau of Investigation or any other federal agency - the United States Attorney's Office - the chief administrative officer of the municipal arson squad or the chief of the fire department - or the Commissioner of Commerce. 	<p>§ 299F.054(4) Immunity granted if the report was made in good faith</p>
	<p>§ 176.861(2) If an insurance company has evidence that a workers' compensation claim may be fraudulent, then it SHALL report in writing</p>	<p>§ 176.861(2) Commissioner of Labor and Industry</p>	<p>§ 176.861(3) Immunity granted if the report was made in good faith</p>
Mississippi	<p>§ 7-5-307 Any person or entity that has a belief or information that a fraudulent act (as described in § 7-5-303(2)) has occurred relating to any insurance claim (including life, property, casualty, health, and workers' compensation) MAY report</p>	<p>§ 7-5-307 Insurance Integrity Enforcement Bureau of the Attorney General's Office</p>	<p>No statutory immunity granted</p>
Missouri	<p>§ 375.992 If a company believes that a fraudulent insurance claim is being made, then it SHALL report within 60 days</p>	<p>§ 375.992 Department of Insurance</p>	<p>§ 375.993 Immunity granted if the report was made absent malice</p>
	<p>§ 320.082 If an insurance company has reason to believe that a fire loss reported to it was the result of arson, then it SHALL report</p>	<p>§ 320.082 The prosecuting or circuit attorney of the city or county in which said fire loss occurred</p>	<p>§ 320.085 Immunity granted if the report was made in good faith</p>
	<p>§ 589.205 If an insurer has reason to believe that a motor vehicle theft claim made by an insured is fraudulent, then it MAY report</p>	<p>§§ 589.200 & 589.205</p> <ul style="list-style-type: none"> - the highway patrol - the local prosecuting attorney - or any law enforcement agency 	<p>§ 589.215(3) Immunity granted for the report if insurer has reason to believe that a motor vehicle theft claim made by an insured is fraudulent</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Montana	<p>§ 33–1–1205(2) If an insurer has reason to believe that an insurance fraud (as defined in § 33–1–1202) has been or is being committed, then it SHALL report within 60 days</p>	<p>§ 33–1–1205(2) & (4) MUST report to the Insurance Commissioner; however, if the alleged insurance fraud involves an insurance claim or application submitted to the state compensation insurance fund or a policy issued by the state insurance fund, the report MUST be made to the Fraud Detection and Prevention Unit of the Department of Labor and Industry</p> <p>§ 33–1–1210 MAY ALSO report to</p> <ul style="list-style-type: none"> - National Association of Insurance Commissioners - any nonprofit organization established to detect and prevent insurance fraud - a law enforcement or other government authority - any insurer or producer - or any person for the purpose of detecting and preventing fraud 	<p>§ 33–1–1210(1) Immunity granted if the report was made absent malice</p>
	<p>§ 33–19–306 An insurance institution (as defined in § 33–19–104(10)) MAY disclose confidential information concerning an insured for the purpose of detecting, preventing, or prosecuting fraudulent activity in connection with insurance transactions (as defined in § 33–19–104(13))</p> <p>§ 50–63–402 If an insurer has reason to believe that a fire loss which it has an interest may be of other than accidental cause, then it SHALL report</p>	<p>§ 33–19–306 A law enforcement or other government authority, another insurance institution, or any person</p> <p>§ 50–63–402 An appropriate law enforcement or fire protection agency</p>	<p>§ 33–19–408 Immunity granted except for persons disclosing false information with malice and willful intent to injure any person</p> <p>§ 50–63–405 immunity granted if the report was made absent fraud or bad faith</p>
Nebraska	<p>§ 44–6605 Any person MAY investigate and/or report suspected insurance fraud (as defined in § 44–6604)</p>	<p>§ 44–6605</p> <ul style="list-style-type: none"> - Director of Insurance - law enforcement officials - Nebraska Workers’ Compensation Court - persons or entities subject to the Insurance Chapter of the Nebraska Revised Statutes - National Association of Insurance commissioners - or any organization established to detect and prevent fraudulent insurance acts 	<p>§ 44–6605 Immunity granted if the report was made absent malice, fraudulent intent, or bad faith</p>
	<p>§ 81–5,123 When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it SHALL report in writing</p> <p>§ 44–3,136 When an insurer (as defined in § 44–3,134(2)) has probable cause to believe that an insured has committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim, it MAY report in writing</p>	<p>§ 81–5,123</p> <ul style="list-style-type: none"> - State Fire Marshal - any local fire department investigation division <p>§§ 44–3,134 & 44–3,136</p> <ul style="list-style-type: none"> - Nebraska State Patrol - a local governmental police department - a county sheriff’s office - a county or municipal attorney - a United States district attorney - a duly constituted criminal investigative agency of the United States Government - or the office of the Nebraska Attorney General 	<p>§§ 81–5,120 & 81–5,126 Immunity granted if the report was made absent malice</p> <p>§ 44–3,141 Immunity granted if the reporter had reasonable cause to believe the truth of the information reported</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Nevada	<p>§§ 686A.283(1) & 686A.285(1) Any person, insurer, or authorized representative of an insurer who believes that a fraudulent claim for benefits under a policy of insurance has been made or that a loss to an insured may have been caused by other than accidental means, then it SHALL report</p> <hr/> <p>§ 616D.550 If an insurer believes or has reason to believe that a fraudulent act concerning industrial insurance (including workers' compensation or health care claims) has been or will be committed, then it SHALL report</p>	<p>§§ 686A.283(1) & 686A.285(1) MUST report to the Commissioner of Insurance § 686A.285(3) If the loss to the insured is caused by fire, then the insurer MUST ALSO report to one of the following</p> <ul style="list-style-type: none"> - State Fire Marshal - a local district attorney - a fire department where the fire occurred - or any other agency that has authority to investigate fraudulent claims or activities <hr/> <p>§ 616D.550 Fraud Control Unit for Industrial Insurance</p>	<p>§ 679B.157 Immunity granted if the report was made absent malice</p> <hr/> <p>§ 616D.020 Immunity granted if the report was made absent malice</p>
New Hampshire	<p>§ 417:28 Any company which believes that an insurance fraud has been committed SHALL report within 60 days</p> <hr/> <p>§§ 402:78(II) & 405:61(II) If a local or foreign (i.e., -- out of state) insurance company has reason to suspect that a theft, loss, or disappearance of a motor vehicle or other personal property in the amount of \$500 or more was caused by other than accidental means, then it SHALL report (may only report through a recognized bureau or organization of companies, or through the secretary or other officer of the insurance company)</p> <hr/> <p>§ 153:13–a(II) If an insurance company has reason to suspect that a fire loss in the amount of \$1000 or more to its insured's real or personal property was caused by other than accidental means, then it SHALL report (may only report through a recognized bureau or organization of companies, or through the secretary or other officer of the insurance company)</p>	<p>§ 417:28 Insurance Fraud Investigation unit</p> <hr/> <p>§§ 402:78(II) & 405:61(II) Local or state law enforcement authorities</p> <hr/> <p>§ 153:13–a(II) State Fire Marshal</p>	<p>§ 417:28 Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>§§ 402:78(III) & 405:61(III) Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>§ 153:13–a(IV) Immunity granted if the report was made absent fraud or malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute	
New Jersey	<p>§ 17:33A–9(a) Any person who believes that a Fraudulent insurance act (as defined in § 17:33A–4) has been or is being committed SHALL report</p>	<p>§ 17:33A–9(a) Division of Insurance Fraud Prevention</p>	<p>§ 17:33A–9(b) Immunity granted if the report was made in good faith and absent malice</p>	
	<p>§ 17:23A–13 An insurance institution (as defined in § 17:23A–2(l)) MAY disclose confidential information concerning an insured for the purpose of detecting and preventing fraudulent activity in connection with insurance transactions (as defined in § 17:23A–2(n))</p>	<p>§ 17:23A–13 A law enforcement or other government authority, another insurance institution, or any person</p>	<p>§ 17:23A–21 Immunity granted except for persons disclosing false information with malice and willful intent to injure any person</p>	
	<p>§ 17:36–16 When an insurer (as defined in § 17:36–14(c)) has reason to believe that a fire loss in which it has an interest may be of other than accidental means, it SHALL report</p>	<p>§ 17:36–16 The county prosecutor of the county wherein the fire occurred</p>	<p>§ 17:36–17 Immunity granted if the report was made absent malice</p>	
	<p>§ 17:23–11 When an insurer (as defined in § 17:23–9(c)) knows the identity or has reason to know the identity of a person whom it has reason to believe committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim, it SHALL report</p>	<p>§§ 17:23–9(a) & 17:23–11 <ul style="list-style-type: none"> - Department of Insurance - any law enforcement agency - or any state or federal agency which is charged with the responsibility of investigating motor vehicle theft or motor vehicle insurance fraud </p>	<p>§ 17:23–15 Immunity granted for the report if the insurer knows the identity or has reason to know the identity of a person whom it has reason to believe committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim</p>	
New Mexico	<p>§ 59A–16C–6(A) If an insurer has a reasonable belief that an act of insurance fraud (as defined in § 59A–16C–3) will be, is being, or has been committed, then it SHALL report</p>	<p>§ 59A–16C–6(A) MUST report to the Superintendent of Insurance § 59A–16C–7(B) MAY ALSO report to <ul style="list-style-type: none"> - Department of Insurance - law enforcement agencies - National Association of Insurance Commissioners - a federal or state agency established to detect and prevent insurance fraud - any other organization established to detect and prevent insurance fraud - the anti-fraud unit of an insurer </p>	<p>§ 59A–16C-7(B) Immunity granted unless the reporter communicates false information it actually believes is false</p>	
	<p>§ 59A–16C–6(B) A person who has reasonable belief that an act of insurance fraud will be, is being or has been committed, or any person who collects, reviews, or analyzes information concerning insurance fraud MAY report</p>	<p>§ 59A–16C–6(B) <ul style="list-style-type: none"> - The Superintendent of Insurance - or to an authorized representative of an insurer § 59A–16C–7(B) MAY ALSO report to <ul style="list-style-type: none"> - Department of Insurance - law enforcement agencies - National Association of Insurance Commissioners - a federal or state agency established to detect and prevent insurance fraud - any other organization established to detect and prevent insurance fraud - the anti-fraud unit of an insurer </p>	<p>§ 59A–16C-7(B) Immunity granted unless the reporter communicates false information it actually believes is false</p>	
	<p>§ 41–8–3(B) When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it SHALL report</p>	<p>§ 41–8–2(A) <ul style="list-style-type: none"> - State Fire Marshal - a local district attorney - Attorney General - county and municipal fire departments - the governor’s organized crime prevention commission - county sheriffs’ departments and municipal police departments - or the New Mexico state police </p>	<p>§ 41–8–3(E) & §41-8-2(f) Immunity granted absent actual malice</p>	

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
New York	<p>NY Ins. Law § 405 Any person engaged in the business of insurance in New York, whether licensed or unlicensed, who has reason to believe that a fraudulent insurance transaction (as defined in NY Ins. Law § 403 and NY Penal Law § 176.05) has taken place or is about to take place, SHALL report within 30 days</p> <p>1999 NY Assembly Bill No. 9997 (Pending; Introduced March 7, 2000) Proposing to Add § 405-A. Any person who has reason to believe that a fraudulent insurance transaction (as defined in NY Ins. Law § 403 and NY Penal Law § 176.05) has taken place or is about to take place MAY report</p> <p>NY Ins. Law § 319(b) An insurer authorized to issue policies covering fire losses, which believes that a fire loss to an insured's real or personal property was caused by other than accidental means, SHALL report</p> <p>NY Ins. Law § 3411 (a) & (l) An insurer that issues automobile physical damage insurance policies covering private passenger automobiles registered in New York SHALL report any evidence of overcharges, improper repairs or adjustments, or other wrong doing by motor vehicle repair shops</p>	<p>NY Ins. Law § 405 MUST report to the Insurance Frauds Bureau</p> <p>NY Ins. Law § 406 MAY ALSO report to the Workers' Compensation Fraud Inspector General (if applicable)</p> <hr/> <p>§ 1999 NY Assembly Bill No. 9997, NY Ins. Law § 406</p> <ul style="list-style-type: none"> - the Attorney General - the District Attorney - the Insurance Frauds Bureau - the Workers' Compensation Fraud Inspector General (if applicable) <p>NY Ins. Law § 319(a) &(b)</p> <ul style="list-style-type: none"> - any agency authorized to investigate a fire at the place where the fire occurred - a local district attorney - the Federal Bureau of Investigation or another federal agency - or the U.S. Attorney's Office <p>NY Ins. Law § 3411(l) Commissioner of Motor Vehicles</p>	<p>NY Ins. Law § 406 Immunity granted if the report was made absent fraud or bad faith</p> <hr/> <p>NY Ins. Law § 406 Immunity granted if the report was made absent fraud or bad faith</p> <hr/> <p>NY Ins. Law § 3432 Immunity granted if the report was made absent fraud or bad faith</p> <hr/> <p>NY Ins. Law § 3432 Immunity granted if the report was made absent fraud or bad faith</p>
North Carolina	<p>§ 58–39–75 An insurance institution (as defined in § 58–39–15(11)) MAY disclose confidential information concerning an insured for the purpose of detecting, preventing, or prosecuting fraudulent activity in connection with insurance transactions (as defined in § 58–39–15(13))</p> <p>§ 58–79–40(b) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p>	<p>§ 58–39–75 A law enforcement or other government authority, another insurance institution, or any person</p> <hr/> <p>§ 58–79–40(b) State Bureau of Investigation</p>	<p>§ 58–39–110 Immunity granted except for persons disclosing false information with malice and willful intent to injure any person</p> <hr/> <p>§ 58–79–40(c) Immunity granted if the report was made absent malice</p>
North Dakota	<p>§ 26.1–02–24.2 Any person MAY report suspected fraudulent insurance acts (as defined in § 26.1–02–24.1)</p> <hr/> <p>§ 26.1–02.1-04 A person with information regarding a suspected, anticipated, or completed fraudulent insurance act MAY report</p> <hr/> <p>§ 18–01–05.1(3) When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it SHALL report in writing</p> <p>§ 65–02–24 Any person MAY report a false workers' compensation claim or statement (as defined in § 65–05–33)</p>	<p>§ 26.1–02–24.2</p> <ul style="list-style-type: none"> - Insurance Fraud Bureau - law enforcement officials - National Association of Insurance Commissioners - or any organization established to detect and prevent fraudulent insurance acts <p>§ 26.1-02.1-04</p> <ul style="list-style-type: none"> - Insurance Fraud Bureau - law enforcement officials - National Association of Insurance Commissioners - or any other not-for-profit organization established to detect and prevent insurance fraud <hr/> <p>§ 18–01–05.1(3)</p> <ul style="list-style-type: none"> - State Fire Marshal - or a law enforcement officer <hr/> <p>§ 65–02–24 Workers' Compensation Bureau</p>	<p>§ 26.1–02–24.2 Immunity granted if the report was made absent fraud or bad faith and without malice</p> <hr/> <p>§ 26.1-02.1-04 Immunity granted absent malice</p> <hr/> <p>§ 18–01–05.1(5) & (6) Immunity granted if the report was made absent malice</p> <hr/> <p>§ 65–02–24 Immunity granted if the report was made in good faith and absent malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Ohio	<p>§ 3999.42 If an insurer (as defined in § 3999.36(A)) has a reasonable belief that a person is perpetrating or facilitating an insurance fraud (as defined in § 2913.47), then it SHALL report</p> <hr/> <p>§ 3737.16(B) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means, then it SHALL report</p> <hr/> <p>§ 3937.42(B) If an insurance company has reason to suspect that a loss involving a motor vehicle that is insured by the company is part of a fraudulent scheme to obtain control of motor vehicle insurance proceeds, then it SHALL report</p>	<p>§ 3999.42 MUST report to the Department of Insurance § 3999.31(B) MAY ALSO report to</p> <ul style="list-style-type: none"> - a law enforcement official - Superintendent of Insurance - an insurance fraud bureau - National Association of Insurance Commissioners - an organization established to detect and prevent fraudulent insurance acts - or any person involved in the detection and prevention of fraudulent insurance acts <hr/> <p>§ 3737.16(B) Fire Marshal AND the prosecuting attorney of the county in which the loss occurred</p> <hr/> <p>§ 3937.42(B)</p> <ul style="list-style-type: none"> - law enforcement officer - or a prosecuting attorney of any county having jurisdiction over the alleged fraud 	<p>§ 3999.31(B) Immunity granted if the report was made absent fraud or bad faith and without malice</p> <hr/> <p>§ 3737.16(D) Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>§ 3937.42(E) Immunity granted if the report was made absent fraud, recklessness, or malice</p>
Oklahoma	<p>36 § 6303(B) When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it SHALL report in writing</p> <hr/> <p>74 § 150.7c(B) When an insurer (as defined in § 150.7b(2))</p> <ul style="list-style-type: none"> - knows the identity of a person who the insurer has reason to believe committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim; or - has knowledge of a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim, it SHALL report <hr/> <p>36 § 619.2 An insurer which has reason to believe that a person has engaged or is engaging in a fraudulent act relating to workers' compensation SHALL report</p> <hr/> <p>36 § 363(A) Any insurer who has reason to believe that a person or entity has been or will be engaged in an act of insurance fraud SHALL report</p> <hr/> <p>74 § 18n-1(C) Any person, insurer, or agent of an insurer with information about suspected insurance fraud MAY report</p>	<p>36 §§ 6302(1) & 6303(B)</p> <ul style="list-style-type: none"> - State Fire Marshal - the head of any county or local fire investigatory agency - State Bureau of Investigation - or the local district attorney <hr/> <p>74 §§ 150.7b(1) & 150.7c(C)</p> <ul style="list-style-type: none"> - Department of Public Safety - a police department of any city or town - a county sheriff's department - any criminal investigative department or agency of the United States - or a district attorney or the prosecuting attorney of any municipality or of the United States or district of the United States <hr/> <p>36 § 619.2 MUST report to the Workers' Compensation Fraud Unit of the Attorney General 74 § 18m-1(C) MAY ALSO report to any agency involved in the investigation or prosecution of suspected workers' compensation fraud</p> <hr/> <p>36 § 363(A) - the Anti-Fraud Unit of the Insurance Department 36 § 363(B) MAY ALSO report to any other agency involved in the investigation or prosecution of suspected insurance fraud</p> <hr/> <p>74 § 18n-1(C)</p> <ul style="list-style-type: none"> - the Insurance Fraud Unit of the Office of the Attorney General' - any other agency involved in the investigation or prosecution of suspected insurance fraud 	<p>36 § 6304 Immunity granted if the report was made in good faith and absent malice</p> <hr/> <p>74 § 150.7e Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>74 § 18m-1(C) Immunity granted if the report was made absent fraud, bad faith, reckless disregard for the truth, or malice</p> <hr/> <p>36 § 363 Immunity granted if the report was made absent fraud, bad faith, reckless disregard for the truth, or malice</p> <hr/> <p>74 § 18n-1(C) Immunity granted absent fraud, bad faith, reckless disregard for the truth, or actual malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Oregon	<p>§ 746.665 An insurer (as defined in § 746.600(15)) MAY disclose confidential information concerning an insured for the purpose of detecting, preventing, or prosecuting fraudulent activity in connection with insurance transactions (as defined in § 746.600(14))</p> <hr/> <p>§ 476.270(1) If an insurance company has reason to believe that a fire loss to its assured's real or personal property was caused by incendiary means, then it SHALL report</p> <hr/> <p>§ 731.737 A person MAY report activities (as partially defined in § 731.737(3)(a)) that are anticipated, suspected, or that have occurred</p>	<p>§ 746.665 A law enforcement or other government authority, another insurer, or any person</p> <hr/> <p>§ 476.270(1) State Fire Marshal</p> <hr/> <p>§ 731.737(1),(2)</p> <ul style="list-style-type: none"> - law enforcement officials - National Association of Insurance Commissioners - Department of Consumer and Business Services - federal or state government agency established to detect or prevent insurance fraud - or any organization established to detect or prevent insurance fraud 	<p>§ 746.685 Immunity granted except for persons disclosing false information with malice and willful intent to injure any person</p> <hr/> <p>§ 476.270(3) Immunity granted if the report was made absent fraud or malice</p> <hr/> <p>§ 731.737(2) Immunity granted absent malice, fraudulent intent, or bad faith</p>
Pennsylvania	<p>40 P.S. § 1610.3(b) Whenever the investigation of a fire loss by an insurance company insuring the loss indicates that the probable cause of the fire loss was arson, the company SHALL report in writing</p> <hr/> <p>40 P.S. § 474.1(a) A person MAY report suspected fraudulent insurance acts (as defined in § 474.01(d))</p> <hr/> <p>75 Pa. C.S.A. § 1817 If a motor vehicle insurer has a reasonable basis to believe that insurance fraud has occurred, then it SHALL report</p> <hr/> <p>75 Pa. C.S.A. § 1795(a) A motor vehicle liability insurer MAY release information in connection with a motor vehicle insurance claim for bodily injury or property damage</p> <hr/> <p>77 P.S. § 1039.7 An insurer (defined to include a health insurance provider in 77 P.S. § 1039.1) MAY release information in connection with an allegation of fraudulent conduct on the part of any person relating to a violation of Pennsylvania Workers' Compensation Law</p>	<p>40 P.S. §§ 1610.2 & 1610.3(b)</p> <ul style="list-style-type: none"> - State Police Commissioner or his authorized representative - the fire commissioner or fire chief of all first, second, second class A and third class cities and the fire chief of any other municipality with a paid fire department when that municipality is not serviced by the State Police Commissioner or his authorized representative for the purpose of investigating fires; or - the fire marshal of a second class county. <hr/> <p>40 P.S. § 474.1(a)</p> <ul style="list-style-type: none"> - law enforcement officials - Insurance Department - National Association of Insurance Commissioners - any other organization established to detect and prevent fraudulent insurance acts - any other persons subject to the provisions of this act <hr/> <p>75 Pa. C.S.A. § 1817 Any federal, state, or local criminal law enforcement authority</p> <hr/> <p>75 Pa. C.S.A. § 1795(a) Any federal or state law enforcement agency</p> <hr/> <p>77 P.S. § 1039.7 Any entity duly authorized by federal or state law or by Insurance Department regulations</p>	<p>40 P.S. § 1610.4 Immunity granted if the report was made absent malice</p> <hr/> <p>40 P.S. § 474.1(a) Immunity granted if the report was made absent malice or fraud</p> <hr/> <p>75 Pa. C.S.A. § 1818 Immunity granted if the report was made in good faith and absent malice</p> <hr/> <p>75 Pa. C.S.A. § 1795(b) & (c) Immunity granted if the insurer sends, or attempts in good faith to send, written notice to the policy holder(s) about whom the information pertains</p> <hr/> <p>77 P.S. § 1039.7 Immunity granted if the information is supplied in connection with the allegation of fraudulent conduct on the part of any person relating to a violation of this article, and the insurer has reason to believe that the information supplied is related to the allegation of fraud.</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Rhode Island	<p>§ 27-8.1-3(d) When an insurer (as defined in § 27-8.1-2) has reason to suspect that a fire loss involving property insured by it was caused by other than accidental means, it SHALL report</p> <hr/> <p>§ 27-49-3(b) When an insurer (as defined in § 27-49-2(c))</p> <ul style="list-style-type: none"> - knows the identity of a person who the insurer has reason to believe committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim; or - has knowledge of a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim, it SHALL report <hr/> <p>§ 42-16.1-14 Any insurer or agent authorized by the insurer to act on its behalf, having reason to believe that an insurance transaction may be fraudulent SHALL report</p>	<p>§§ 27-8.1-2(b) & 27-8.1-3(d)</p> <ul style="list-style-type: none"> - the Chief of the Fire Department where the fire occurred - the state fire marshal, deputy fire marshal, or assistant deputy fire marshals - the superintendent of state police, or principal investigating officer of the state - the attorney general or assistant attorneys general; - the chief, deputy chief, or principal investigating officer of the local police or fire department - the Federal Bureau of Investigation or other federal investigatory agency - or the United States attorney or assistant district attorneys for the district where a fire occurs. <hr/> <p>§§ 27-49-2(a) & 27-49-3(b) MUST report to</p> <ul style="list-style-type: none"> - Attorney General - the state police - any police or fire department of a municipality - U.S. Attorney's Office - any duly constituted criminal investigative department or agency, including the Federal Bureau of Investigation - any solicitor or prosecuting attorney for a municipality - Director of the Insurance Division - Director of the Registry of Motor Vehicles - or the Office of Automobile Theft and Insurance Fraud <p>§ 27-49-5.1 MAY ALSO report to another insurer for the purpose of investigating motor vehicle insurance fraud</p> <hr/> <p>§ 42-16.1-14 Workers' Compensation Fraud Prevention Unit</p>	<p>§§ 27-8.1-2(d) & 27-8.1-3(g) Immunity granted if the report was made absent malice</p> <hr/> <p>§ 27-49-5 Immunity granted for releasing any factually accurate information in a mandatory report if the insurer</p> <ul style="list-style-type: none"> - knows the identity of a person who the insurer has reason to believe committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim; or - has knowledge of a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim <p>§ 27-49-5.1 Immunity granted concerning reports made to other insurers if the report was made in good faith and with due care solely for the purpose of facilitating the discovery and prosecution of the theft or fraud</p> <hr/> <p>§ 42-16.1-14 Immunity granted if the report was made absent fraud, malice, or bad faith</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
South Carolina	<p>§ 38–55–570(A) Any person, insurer, or authorized agency having reason to believe that another has made a false statement or misrepresentation, or has knowledge of a suspected false statement or misrepresentation SHALL report</p> <hr/> <p>§ 23–41–30(b) When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it MAY report in writing</p> <hr/> <p>§ 38–77–1130(b) When an insurance company has reason to believe that a motor vehicle loss in which it has an interest may involve theft or a fraudulent claim it MAY report in writing</p>	<p>§ 38–55–570(A) MUST report to the Insurance Fraud Division of the Office of the Attorney General §§ 38–55–530 & 38–55–580(A) MAY ALSO report to</p> <ul style="list-style-type: none"> - any duly constituted criminal investigative department or agency of the United States or of the state - Department of Insurance - Department of Revenue - Department of Public Safety - Workers' Compensation Commission - State Accident Fund - Second Injury Fund - Employment Security Commission - Department of Consumer Affairs - Human Affairs Commission - Department of Health and Environmental Control - Department of Social Services - Department of Health and Human Services - Department of Labor, Licensing and Regulation - all other state boards, commissions, and agencies - or the Office of the Attorney General or the prosecuting attorney of any judicial circuit, county, municipality, or political subdivision of the state or of the United States <hr/> <p>§§ 23–41–20(a) & 23–41–30(b)</p> <ul style="list-style-type: none"> - State Fire Marshal - Chief of the State Law Enforcement Division - South Carolina Attorney General - the solicitor responsible for prosecution in the county where the fire occurred - the United States Department of Justice and its Federal Bureau of Investigation - or the Director of the Department of Insurance <hr/> <p>§§ 38–77–1120(a) & 38–77–1130(b)</p> <ul style="list-style-type: none"> - State Law Enforcement Division - Department of Public Safety - the sheriff's department of any county - any duly constituted criminal investigative department or agency of another state of the United States - South Carolina Attorney General - any circuit solicitor of the state - any prosecuting attorney for a county, circuit, or district of another state or of the United States - Department of Insurance - Department of Consumer Affairs of the Attorney General's Office - or the United States Department of Justice and its Federal Bureau of Investigation 	<p>§§ 38–55–530(E) & 38–55–580(A) Immunity granted if the report was made in good faith and absent malice, gross negligence, or reckless disregard for the rights of the person reported</p> <hr/> <p>§§ 23–41–20(e) & 23–41–30(f) Immunity granted if the report was made absent malice, gross negligence, or reckless disregard for of the person reported</p> <hr/> <p>§§ 38–77–1120(d) & 38–77–1130(e) Immunity granted if the report was made absent malice, gross negligence, or reckless disregard for of the person reported</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
South Dakota	<p>§ 58–33–76 An insurer which reasonably believes that a false or fraudulent claim, statement, or representation (as defined in §§ 58–33–75 & 58–33–37) has occurred MAY notify</p> <hr/> <p>§ 34–32A–2 If an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, then it SHALL report in writing</p> <hr/> <p>§ 58-4A-13 Any person with information relating to suspected, anticipated, or completed fraudulent insurance acts MAY report</p> <hr/> <p>§ 62–4–47 An employer, an employer’s insurer, or a fellow employee which has reason to believe that a workers’ compensation claim has been paid under fraudulent conditions MAY submit a written request to terminate, modify, or temporarily stop payment and investigate the claim</p>	<p>§§ 58–33–75 & 58–33–76(1) - Department of Commerce and Regulation - Attorney General - any state’s attorney - any duly constituted criminal investigative department or agency of the United States - or any county or municipal law enforcement agency having investigative jurisdiction</p> <hr/> <p>§§ 34–32A–1(2) & 34–32A–2 - Department of Commerce and Regulation - Attorney General - or the state’s attorney in the county where the fire occurred</p> <hr/> <p>§ 58-4A-13 - Department of Commerce and Regulation and the director of Insurance - Any governmental agency established to detect and prevent fraud - Law enforcement officials - the Department of Labor - Any insurer or insurance agent - the National Association of Insurance Commissioners - Any non-profit organization established to detect and prevent insurance fraud, if the organization is approved by the Director pursuant to the rules under chapter 1-26.</p> <hr/> <p>§ 62–4–47 Department of Labor</p>	<p>§ 58–33–79 Immunity granted if the report was made absent bad faith or malice</p> <hr/> <p>§ 34–32A–7 Immunity granted if the report was made absent bad faith or malice</p> <hr/> <p>§ 58-4A-13 Immunity granted if the report was made in good faith</p> <hr/> <p>§ 62–4–50 Immunity granted if the request was made in good faith</p>
Tennessee	<p>§ 68–102–115(a) When an insurance company (as defined in § 68–102–115(f)) after investigation has reason to believe that a fire loss may be of other than accidental cause, it SHALL report in writing</p> <hr/> <p>§ 56–47–110(b) An insurer that has a reasonable belief that an unlawful or fraudulent insurance act relating to workers’ compensation (as defined in §§ 56–47–103 & 56–47–104) will be, is being, or has been committed SHALL report</p>	<p>§ 68–102–115(a) MUST report to the State Fire Marshal</p> <p>§ 68–102–115(a) & (f) In order to expedite the investigation, MAY ALSO report to - local prosecuting attorneys - or law enforcement officials</p> <hr/> <p>§ 56–47–110(b) - Department of Commerce and Insurance - Department of Labor - or a law enforcement authority</p>	<p>§ 68–102–115(c) Immunity granted if the report was made absent malice</p> <hr/> <p>§ 56–47–111 Immunity granted if the report was made absent malice</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Texas	<p>TX Ins. § 1.10D(4) If a person determines that a fraudulent insurance act (as defined in § 1.10D(4)) has been committed, or is about to be committed, the person SHALL report in writing within 30 days</p>	<p>TX Ins. § 1.10D(4) MUST report to</p> <ul style="list-style-type: none"> - Commissioner of Insurance - State Board of Insurance - a duly constituted municipal, county, or state law enforcement agency of this or another state or a federal law enforcement agency - or the prosecuting attorney of any municipality, county, or judicial district of this state, another state, or the United States 	<p>TX Ins. § 1.10D(6) Immunity granted without malice, fraudulent intent, or bad faith</p>
	<p>TX Ins. § 1.10D(6) A person with information concerning suspected, anticipated, or completed fraudulent insurance acts MAY report</p>	<p>TX Ins. § 1.10D(6)</p> <ul style="list-style-type: none"> - a law enforcement officer - the National Association of Insurance Commissioners - a state or federal government agency established to detect and prevent fraudulent insurance acts or to regulate the business of insurance, or an employee of that association or government agency - a duly constituted municipal, county, or state law enforcement agency of this or another state or a federal law enforcement agency - or the prosecuting attorney of any municipality, county, or judicial district of this state, another state, or the United States - or the Department of Insurance 	<p>TX Ins. § 1.10D(6) Immunity granted without malice, fraudulent intent, or bad faith</p>
	<p>TX Ins. § 5.46(A) & (B) If an insurance company has reason to suspect that a fire loss to its insured's real or personal property was caused by incendiary means and the insurance company has received a request for information from the State Fire Marshal, fire marshal of a political division in Texas, or the chief of an established fire department, then it SHALL report</p>	<p>TX Ins. § 5.46(A) & (B) The requesting official</p>	<p>TX Ins. § 5.46(C) Immunity granted if the report was made absent fraud or malice</p>
	<p>TX Ins. § 21.78(2) When an insurer (as defined in TX Ins. § 21.78(1))</p> <ul style="list-style-type: none"> - knows the identity of a person who the insurer has reason to believe committed a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim; or - has knowledge of a fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim, it SHALL report 	<p>TX Ins. § 21.78(1)</p> <ul style="list-style-type: none"> - Department of Public Safety - a police department of any city, town, or village - a county sheriff's department - any duly constituted criminal investigative department or agency of the United States - or the prosecuting attorney of any city, town, village, judicial district, or county of the state, or of the United States 	<p>TX Ins. § 21.78(3) Immunity granted if the report was made absent fraud or malice</p>
Utah	<p>§ 31A-31-105(1) Any person MAY furnish evidence or provide information regarding suspected insurance fraud (as defined in § 31A-31-103)</p>	<p>§ 31A-31-105(1)</p> <ul style="list-style-type: none"> - the Department of Insurance or division of the department - any federal, state, or government agency established to detect and prevent insurance fraud 	<p>§ 31A-31-105(1) Immunity granted if the report was made in good faith</p>
	<p>§ 53-7-214(2) If a fire is of suspicious or incendiary origin, an insurance company MUST report</p>	<p>§ 53-7-214(2) State Fire Marshal Division</p>	<p>§ 53-7-214(4) Immunity granted if a fire is of suspicious or incendiary origin</p>
	<p>§ 34A-2-110(11) Any person MAY report a suspected fraudulent act relating to workers' compensation (as defined in § 34A-2-110(2))</p>	<p>Statute does not specify</p>	<p>§ 34A-2-110(11) Immunity granted if the report was made absent malice</p>
Vermont	<p>8 § 3671(b) When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it SHALL report in writing</p>	<p>8 § 3671(b) MUST report to the State Fire Marshal</p> <p>8 § 3672 MAY ALSO report to</p> <ul style="list-style-type: none"> - Attorney General - State's Attorney - or any law enforcement officer 	<p>8 § 3672 Immunity granted if information furnished in good faith</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Virginia	<p>§ 52–40(A) If an insurer has knowledge or reason to believe that a person has obtained or is obtaining money through false pretenses, then it SHALL report</p> <hr/> <p>§ 38.2–613 An insurance institution (as defined in § 38.2–602) MAY disclose confidential information concerning an insured for the purpose of detecting, preventing, or prosecuting fraudulent activity in connection with insurance transactions (as defined in § 38.2–602)</p> <hr/> <p>§ 27–85.5(B) When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, it SHALL report in writing</p>	<p>§ 52–40(A) MUST report to Department of State Police</p> <p>§ 52–41(B) MAY ALSO report to</p> <ul style="list-style-type: none"> - National Association of Insurance Commissioners - another insurer - any federal or state governmental entity established for the purpose of detecting and preventing fraud - or the National Insurance Crime Bureau <hr/> <p>§ 38.2–613 A law enforcement or other government authority, another insurance institution, or any person</p> <hr/> <p>§§ 27–85.4 & 27–85.5(B)</p> <ul style="list-style-type: none"> - the chief of any municipal or county fire or police department or the sheriff of any county - the arson investigator of the State Police Department - the Alcohol, Tobacco and Firearms Division of the United States Department of the Treasury - or local prosecuting attorneys 	<p>§ 52–41(B) & (D) Immunity granted except for persons reporting false information with malice and willful intent to injure any person</p> <hr/> <p>§ 38.2–618 Immunity granted absent malice or willful intent to injure a person</p> <hr/> <p>§ 27–85.5(E) Immunity granted if the report was made absent malice</p>
Washington	<p>§ 48.01.190 Any person MAY release information that is useful for the administration of insurance law</p> <hr/> <p>§ 48.50.040(1) When an insurer has reason to believe that a fire loss reported to the insurer may be of other than accidental cause, it SHALL report</p>	<p>§ 48.01.190</p> <ul style="list-style-type: none"> - Insurance Commissioner - National Association of insurance Commissioners <hr/> <p>§ 48.50.040(1) The chief of the Washington State Patrol, through the Director of Fire Protection</p>	<p>§ 48.01.190 Immunity granted unless malice, fraud, or bad faith is shown</p> <hr/> <p>§ 48.50.070 Immunity granted if the report was made absent malice</p>
West Virginia	<p>§ 33–41–3(a) Any person MAY report suspected, anticipated, or completed insurance fraud (as defined in § 33–41–2(e))</p> <hr/> <p>§ 29–3–12a(b) An insurance company that has reason to believe, based on its investigation, that a fire loss was caused by other than accidental means, SHALL report</p>	<p>§§ 33–41–2(a) & 33–41–3(a)</p> <ul style="list-style-type: none"> - an insurer - Division of Public Safety - the police department of any municipality - any county sheriff’s department - any duly constituted criminal investigative department or agency of the state or of the United States - the prosecuting attorney of any county of this state or of the United States or any district thereof - Insurance Commissioner - National Association of Insurance Commissioners - or a person or agency involved in the prevention and detection of fraud <hr/> <p>§ 29–3–12a(b) Fire Marshal</p>	<p>§ 33–41–3(b) Immunity granted if the report was made absent fraud, malice, or bad faith</p> <hr/> <p>§ 29–3–12a(c) Immunity granted if the report was made absent fraud</p>

Jurisdiction	Reporting Statute	Report to Whom	Immunity Statute
Wisconsin	<p>§ 895.486(2) Any person MAY report suspected, anticipated, or completed insurance fraud (as defined in § 895.486(1))</p> <hr/> <p>§ 102.125 If an insurer has evidence that a workers' compensation claim is fraudulent (as defined in § 943.395), and if the insurer is satisfied that reporting the claim will not impede its ability to defend the claim, it SHALL report</p>	<p>§ 895.486(2)</p> <ul style="list-style-type: none"> - Commissioner of Insurance - a law enforcement officer - National Association of Insurance Commissioners - any governmental agency established to detect and prevent insurance fraud - any nonprofit organization established to detect and prevent insurance fraud - or an insurer <hr/> <p>§§ 102.01(ap) & 102.125 Department of Workforce Development</p>	<p>§ 895.486(2) Immunity granted if the report was made absent malice</p> <hr/> <p>No specific immunity granted in the Workers' Compensation Statute; however, immunity granted under § 895.486 should apply</p>
Wyoming	<p>§ 6-3-109(b) An insurance company which has reason to believe a fire loss was caused by other than accident, SHALL report in writing</p>	<p>§§ 6-3-108 & 6-3-109(b)</p> <ul style="list-style-type: none"> - State Fire Marshal - a county, prosecuting, or district attorney - Attorney General - a fire department - a county sheriff's department - the Wyoming State Highway Patrol - a municipal police department - the Federal Bureau of Investigation or any other federal agency - United States Attorney's Office - or the State Insurance Commissioner 	<p>§ 6-3-109 Immunity granted unless willful misstatement, attempted duress, or malice is shown</p>

CIVIL LITIGATION IN CLAIMS FRAUD MATTERS

⁹In Prosser and Keeton's *Handbook of The Law of Torts*, fifth edition, the elements of deceit or common law fraud are stated generally as: (1) a misrepresentation of a fact; (2) knowingly made by the defendant with the intent that it induce the plaintiff to act or refrain from action; and (3) relied upon by the plaintiff to his detriment.

Any organized insurance fraud should be actionable under common law fraud,⁹ and in those states that have adopted insurance fraud statutes allowing for civil damages, statutory recovery should also be available, where there is proof that the defendants deliberately lied to get money to which they were not entitled, plaintiffs relied on defendant's misrepresentations and/or omissions, and suffered damages as a result. In addition to common law and state statutory remedies, insurance fraud is also actionable under the federal Racketeer Influenced and Corrupt Organizations Act (RICO) statute. Therefore, insurers have increasingly turned to civil litigation to combat insurance fraud.

For instance, several major property and casualty insurers have recently filed multiple lawsuits in Los Angeles and San Bernadino county under a California statute (California Insurance Code §1871.7). This statute provides for civil fines and damages against attorneys, doctors and chiropractors who knowingly pay runners for the opportunity to participate in insurance claims, and/or who knowingly participate in the submission of fraudulent claims. Similarly, several of the largest property and casualty, workers' compensation and health insurers in recent years have filed lawsuits under the federal racketeering statute against individuals allegedly involved in insurance scams. Of course, other civil actions generally available to insurers are breach of contract and/or rescission based on fraud by insureds; reverse bad faith against insureds based on the implied covenant of good faith and fair dealing owed by insureds to insurers, state and federal whistleblower statutes; and unjust enrichment.

For several reasons, insurers should consider civil litigation as a useful component of any comprehensive anti-fraud program. The primary advantages are:

- Any organized insurance fraud activity will likely be actionable under common law fraud and conspiracy, statutory fraud and/or the federal RICO statute.
- Criminal prosecution and/or disciplinary charges may not be realistic.
- Civil litigation can have a very powerful impact on those involved in organized fraud by focusing attention on their activities.
- Judicial resources, such as subpoena power, expand opportunities for insurers to gain information necessary to reveal the players and scope of their activities.

- Courts will typically allow negative inferences to be drawn from Fifth Amendment assertions in a civil case. See *Baxter v. Palmigiano*, 425 U.S. 308, 318, 96 S.Ct. 1551, 1558 (1976); *Maurice v. Kozel*, 73 F.3d 124, 126 (7th Cir. 1993)
- A civil complaint controls who is sued, where the suit is filed, when the suit is filed, how the complaint is drafted, what discovery is propounded and what dispositions, if any, are to be made as to any of the defendants.
- Filing a civil complaint alerts state and federal prosecutors to the fact that fraud is occurring and should be addressed.
- There is a lower burden of proof in civil proceedings, which generally requires that all elements of your claim be proven by a preponderance of the evidence.

Several cases involving insurance fraud and related conduct demonstrate the potential application of RICO and common law fraud actions against the participants. (See Appendix I for additional illustrative cases.)

DETECTING FRAUD

A. FRAUD INDICATORS

1. *Information about the Person Making the Claim*

The key to exposing fraud is creating heightened awareness among adjusters. From the beginning, insurance companies should always verify that the claimant is who he says he is. People involved in claims fraud are often involved in many claims, understand that insurers maintain and have access to databases capable of tracing individuals' claims histories and want to conceal their true identity as a result. Therefore, people routinely use aliases and other false information about themselves in making fraudulent claims. Insurers can verify that a person presenting a claim is who he says he is through various means and should utilize each as a matter of course.

Social Security Numbers

Contrary to popular opinion, death and taxes are not the only certainties in life. Generally speaking, every United States citizen should have a name and accompanying social security number. Therefore, if a person chooses to use an alias, he must always also have a corresponding social security number. He has only two choices: to use someone else's actual name and true social security number; or to use a fictitious name and fictitious social security number. If he elects the former, the name and social security number will match, forcing insurers to use other means. If he elects the latter option, insurers can use easily accessible databases to establish that the name and social security number being used do not match.

In addition to databases with credit header information such as those offered by TRW, Equifax and the like, insurers can also identify mismatches between names and social security numbers by comparing the numbers provided with other information provided by the claimant. For example, the first three numbers of a social security number represent the state in which the person was living at the time the person applied for his social security number. Adjusters can compare the first three numbers of the social security number being used by a claimant with the places where the claimant has allegedly lived. For example, if a claimant gives a social security number that begins with 318 but does not indicate ever having lived in Illinois, a claims handler should have suspicions.

In addition, the claims handlers can ask claimants to sign Social Security Form 3288, which allows the Social Security Administration to release the parents' names and the place of birth for the claimant. With this additional background information, an insurer can better verify a claimant's true identity. (See Appendix II for additional illustrative insurance fraud cases involving the use of false social security numbers.)

Past and Current Addresses

If a person uses an alias to conceal his identity when making a fraudulent claim but provides his correct address, a claims handler should be able to easily identify the perpetrator of the fraud by visiting the address given. To circumvent the obvious, people involved in claims fraud will often use post office boxes, commercial addresses or the addresses of family or friends to conceal their identity from insurers.

Moreover, people creating false identities also generally have to create false pasts. Any actual address received can help an insurer ascertain the true identity of the individual. Therefore, claims handlers should routinely ask claimants where they have lived for several years preceding their claim. If a claimant is reluctant to provide this information, or is unable to recall the actual addresses, claims adjusters should consider the possibility of fraud. People should know where they have lived and be able to supply information relating to prior addresses.

Courts are likewise suspicious of the use of false addresses. (See Appendix III for additional illustrative cases.)

Past and Current Employment

Claims handlers should also obtain current and past employment information to verify that a claimant's identity is accurate. For example, someone using an alias in a fraudulent claim will likely be unwilling to divulge where he works, lest his true identity be revealed by current or past employers. Claims handlers can use phone books, business databases (e.g., Dunn and Bradstreet) or a visual inspection of property to determine whether the employer exists. The benefits of making a claimant verify his or her employment history are obvious. Legitimate claimants should not lie about such basic information, and a claims adjuster who recognizes such subtle discrepancies can prevent the insurance company from paying out money to satisfy a fraudulent claim. (See Appendix IV for additional illustrative cases.)

2. Economic Motives

Perpetrators of insurance fraud are generally driven by financial motives. Cases discussing economic motives for insurance fraud are legion, and *United States v. York*, 933 F.2d 1343 (7th Cir. 1991) is a representative example.

Defendant *York* was the co-owner of a bar named the Just Friends Lounge. His co-owner ran the bar poorly and was in the red from the moment it opened. After two years of losses, York and his co-owner plotted to commit arson, intending to burn the bar to the ground and collect \$50,000 from the policy that insured the structure. At the same time he was plotting to commit arson, however, York was also quietly scheming to kill his co-owner and collect on the double-indemnity provision in her \$60,000 life insurance policy.

In affirming York's conviction for mail fraud, arson and obstruction of justice, the Seventh Circuit made clear that it believed the sole motivation for York's crimes was economic gain. There was no evidence that he harbored any ill will toward his co-worker, save the fact that she was a poor business manager. At the time of the arson, York was more than \$80,000 in debt and he realized that if he split the money he would receive from the insurance coverage on his bar, the debts would remain unpaid. York burned the bar, killed his co-owner, and attempted to collect from her life insurance policy.

It appears that the most common manifestation of economic motives in insurance fraud are arson and murder. (Representative cases that illustrate the economic motives driving insurance fraud can be found in Appendix V.)

3. Claims History

With increasingly sophisticated databases, it has become much easier for insurers to obtain the claims history of a claimant. Specifically, insurers should be examining the number, frequency and nature of a claimant's prior claims. Too many coincidences in a claims history may be just that. In affirming the government's use of a prior arson in a prosecution of the defendant for a second arson, the court in *United States v. York*, 933 F.2d 1343 (7th Cir. 1991) noted that "the man who wins the lottery once is envied; the one who wins it twice is investigated." (*Id.* at 1350.)

In addition to augmenting a claims investigation, evidence of prior claims history may be admissible at trial to impeach a defendant and/or prove that the claim at issue is part of a common scheme in which the claimant is knowingly perpetrating a fraud. (See Appendix VI for additional illustrative claims history cases.)

To convince a court that a person's prior claims history should be admitted into evidence, the insurer should gather as comprehensive a claims history as possible. Some factors to consider are the following: (1) has the claimant filed a prior claim for the same or similar property or injuries? and (2) is there anything suspicious about the quantity, frequency or severity of prior claims? For example, in *Allstate Ins. Co. v. Lopez*, 710 A.2d 1072 (N.J. Sup.Ct. 1998), Allstate obtained a stay of trials and arbitration proceedings relating to allegedly staged automobile accidents. (*Id.* at 1082.) In granting the stay, the court noted that several defendants were involved in multiple accidents in a short period of time. (*Id.* at 1074-75.) Though this case did not address the ultimate outcome of the suit, the court's opinion makes it clear that a claims history may serve as substantial proof of fraud. (For other cases that illustrate the importance of a claimant's claim history see, Appendix VI.)

4. Claims Made Shortly After the Policy Inception Date

A claim made soon after the inception date of a policy can indicate fraud. A good example is the case of *Minuto v. Continental Cas. Co.*, 1993 WL 852032 (D. N.J., March 3, 1993). In *Minuto*, the insured purchased insurance for his Toyota Forerunner, a Range Rover and a Mercedes 560SEL. (*Id.* at *1.) Within 15 days, the insured reported his Range Rover stolen, his Mercedes ransacked and a BMW owned by his sister stolen in a single incident that allegedly occurred in his driveway. (*Id.*) The court granted summary judgment to the insurance company when the insured filed suit against it for the policy proceeds. The court noted that the "report of loss was only fifteen days after plaintiff submitted his insurance application." (*Id.*) (See Appendix VII for additional illustrative cases.)

5. Other Common Factors

Auto Claims

In automobile claims, other common fraud indicators included the following:

- The physical damage to one vehicle does not match the physical damage to other vehicles involved in the same accident.
- The physical damage to one of the involved vehicles appears to have been applied by a blunt object (e.g., light pole, wall, hammer), rather than by another vehicle.
- The physical damage to the vehicle is inconsistent with the seriousness of claimed personal injuries.

- The witnesses and parties have conflicting versions of the same accident. (Illustrative cases involving automobile insurance fraud schemes are described in Appendix VIII.)

Health Care Fraud

One common form of health care fraud involves insureds who fail to disclose pre-existing conditions in their applications for insurance and then later seek coverage for treatments related to that undisclosed condition. For example, in *Paul Revere Life Ins. Co. v. Haas*, 644 A.2d 1098 (N.J. 1994), the court held that “an insured may not recover under a disability insurance policy for a disease that he or she intentionally concealed when applying for the policy.” (*Id.* at 1100.) Specifically, the defendant indicated on his application that he had not sought medical attention for his eyes in the past five years. In fact, the defendant had been treated for several years for an eye disease. (*Id.* at 1101.)

While insureds may be the source of many fraudulent health claims, there can be no doubt that an additional, large source of fraudulent health claims is illegal activities by health care providers who bill for services that were not rendered; bill for unnecessary services; and upcode or unbundle billing. For example, in *People v. Hepner*, 26 Cal. Rpt. 2d 417 (Cal. Ct. App. 1994), several defendants were convicted of felony charges stemming from billing practices perpetrated as part of Dr. Hepner’s medical practice. Specifically, Hepner “would bill for: (1) patients who had been in fictitious accidents; (2) patients who had been in accidents but were not injured; (3) overtreatment of legitimately injured patients; and (4) inappropriate treatment of legitimately injured patients.” (*Id.* at 420.) (Illustrative cases of fraudulent health insurance claims are described in Appendix IX.)

Property Claims

In arson claims, the most common fraud indicators are:

- The property that is the subject of the claim is overinsured.
- The insured is under economic duress or gains some economic advantage from the fire.
- The cause and origin of the fire or burn patterns suggest arson.
- The alleged contents of the structure seem improbable (e.g., a Rembrandt in a seedy garage).
- Valuable or important items one would expect to find in the structure are not present (e.g., no evidence of any business records at the scene of a business fire or no food on the shelves of a grocery).
- The insured has no receipts, photos or other evidence of the items allegedly destroyed in the fire.

Most, if not all, of these indicators were present in *United States v. Pringle*, 1995 WL 341621 (7th Cir., June 8, 1995), where the defendant was convicted of several counts of arson. First, the fire occurred only twelve days after the defendant had purchased the building’s insurance. (*Id.*) Second, the amount of coverage exceeded what should have been necessary. In addition, the

court noted that “because of the short time between the issuance of the policy and the fire, the insurance company was not able to verify the defendant’s representations as to the value of the building’s contents.” (*Id.*) Third, economic motives were clearly present. The fire was set to the claimant’s business property and “the receipts for inventory in the building were consumed” in the fire. (*Id.*) Fourth, the cause and origin of the fire appeared suspicious. In fact, fire investigators determined “that the fire had been started in at least five different locations within the building.” (*Id.*) In addition, “investigators noticed burn marks on [the] defendant’s arms” during an interview with him following the fire. (*Id.*) Fifth, the building contained firearms and ammunition, for no apparent reason, indicating that the defendant would have sought additional money to cover for the loss of guns and firearms had he not been questioned early. Finally, evidence presented at trial indicated that the defendant had previously collected \$350,000 in insurance proceeds from a fire at the same building fourteen years prior to the pending claim. (*Id.*) The previous fire had also seemed suspicious, but no official action had ever been taken. (*Id.*)

Some of the more amusing examples of insurance fraud involve claims where property was allegedly stolen or damaged. Fundamental questions ought to be whether the claimant really owned the property in question and, if so, does the claim make common sense. A good example of a suspicious property theft claim is one we mentioned previously, *Minuto v. Continental Cas. Co.*, 1993 WL 852032 (D. N.J., March 3, 1993). In *Minuto*, the claimant had insured three vehicles, including a Forerunner, a Range Rover, and a Mercedes. (*Id.* at *1.) Fifteen days later, the claimant reported that the Range Rover was stolen and that the Mercedes had been burglarized. (*Id.*) In addition, he reported that his sister’s BMW had also been stolen. (*Id.*) All of this activity allegedly occurred in the claimant’s driveway. (*Id.*) The claimant told his insurer that several items were also in the Range Rover when it was stolen, “among other things allegedly stolen from the Range Rover were a set of colored dishes (\$1,310.69), Christofle silverware, a video camera (\$1,899), an antique bronze statue (\$3,500), two Lladro statues (\$7,550) and one pair of navy crocodile shoes (\$700).” (*Id.*) In addition, “the Mercedes had three coats: a ranch mink (\$4,534.58), a man’s long coyote coat (\$8,500) and a white fox and leather jacket (\$2,600).” *Id.* In all, the claim was for about \$100,000. More importantly, “[n]o physical evidence was recovered from the scene of the crime, such as broken glass and the like, indicating a burglary.” (*Id.*) Nor were there any receipts for the items in the Range Rover. It was later learned that there were nine outstanding judgments against the claimant, who was in desperate need of money at the time of the alleged theft. (*Id.*) In addition, there were no witnesses and many unusual circumstances. For example, why would a burglar steal a Range Rover, but only steal the coats out of a Mercedes parked next to it? The facts didn’t match up, but the fraud indicators certainly did.

In *Candido v. Worcester Ins. Co.*, 1997 WL 435837 (Conn. Super. Ct., July 22, 1997), the insured alleged that two men and a woman overpowered her aged father and entered her home. Among the items allegedly stuffed into four pillowcases and carried out in one trip were five boxes of china including twelve place settings and numerous specialized serving pieces, estimated to weigh more than 100 pounds; several leather handbags containing jewelry; two shopping bags, one containing a stamp collection and the other a coin collection; a duffel bag containing several handguns and shotguns; a gold jewelry box; and a gold picture frame. The insured reported that the china was stored in cardboard boxes in an unfinished portion of the

basement, despite having a claimed value of \$128,000, almost as much as the \$145,000 value of the house itself. Moreover, she provided no documentation of the purchase of the china, no appraisals, no prior listing of the china in any insurance policies and no photographs of the property. Finally, the insured claimed that she did not check to see if the china was missing until several hours after learning of the burglary, and did not mention the loss in her conversation with her insurance agent the day following her loss. In fact, the insured did not submit a list of missing items to the insurer until approximately seven months after the burglary occurred. The list included numerous items never mentioned to the police or her insurance agent, including the china. The court held that the insurer did not have to pay on the policy where the insured concealed or misrepresented facts regarding the loss.

In *Commonwealth v. Chery*, 628 N.E. 2d (Mass. App. Ct. 1994), the defendant was convicted of motor vehicle insurance fraud arising out of his claim of loss from the theft and arson of his 1988 Ford Escort. The car was later found with its doors locked and no sign of forced entry or forced ignition. Because the windows were closed, the effects of arson were minimized as the fire flickered out for want of oxygen. Furthermore, the defendant still owed approximately \$12,000 on the car, which reportedly had been in three accidents in the two months prior to the defendant's report that it was missing. In fact, the car had "considerable and visible damage to the right side, right fender, right headlight assembly and front grille. There was also damage to the radiator, which made the car undrivable for any length of time." As the court stated, "[a]s an object of desire for theft, the defendant's 1988 Ford Escort was an unlikely candidate."

In *Dlugosz v. New York Central Mut. Fire Ins. Co.*, 518 N.Y.S. 2d 237 (Sup. Ct. App. Div. 1987), the insured claimed that personal property, including jewelry, was stolen from his van. The insurer alleged an affirmative defense and refused to pay, contending that the insured failed to prove a loss had occurred. Among the evidence admitted were the plaintiff's admissions concerning his poor financial condition as well as evidence of other claims for vandalism or theft of property filed by the insured, several of which were similar to the facts of the case. (Illustrative cases of fraudulent property claims are described in Appendix X.)

Workers' Compensation Claims

In workers' compensation claims, the most common fraud indicators are:

- The accident occurs soon after either the policy inception date or the worker becomes employed.
- The accident occurs shortly before layoffs, terminations or strikes are announced.
- The circumstances of the claim are suspicious for various reasons, such as (1) no witnesses; (2) inconsistent versions of the accident; (3) nature or extent of injury is inconsistent with job type; and (4) difficulty reaching claimant at home during normal, weekday business hours.

(Illustrative cases of both workers' compensation application and claims fraud are described in Appendix XI.)

CONCLUSION

Obviously, the circumstances of each claim and investigation are unique, and there is no single set of rules that can be used to correctly handle and resolve each matter. Recognizing that there is no quick fix or easy answer to every suspicious claims situation, this book is intended to provide individuals involved in claims investigations with general guidance on how to better detect, defeat and deter fraudulent claims. At the very least, these general rules of thumb should be considered and applied where appropriate.

The crime of insurance fraud continues to be an ongoing and insidious drain on our economy. Whether the crime is one of an individual looking to falsely prolong a medical disability, avoid a policy deductible or a complex conspiracy involving attorneys, physicians and claimants, the cost of insurance fraud is \$120 billion annually per FBI estimates.

While more difficult to estimate, dollars spent on deterring fraud produce a significant return on investment that can have a resultant positive effect going directly to a company's bottom line.

GeneralCologne Re hopes that you find this guide to be effective in combating insurance fraud. We want this to be a useful reference guide to improve your employees' recognition of insurance fraud and assist them in understanding what can and should be done once fraud is detected.

We welcome your inquiries. We want to help!

APPENDIX OF ADDITIONAL ILLUSTRATIVE CASES

I. RICO AND COMMON LAW FRAUD ACTIONS

Nationwide Mut. Ins. Co. v. Perez, 1997 WL 557630 (D. P.R., Aug. 14, 1997) (insurance company filed RICO claim for over one million dollars related to an insurance scam involving previously wrecked cars); *Aetna Cas. & Sur. Co. v. P&E Auto Body*, 43 F.3d 1546 (1st Cir. 1994) (affirmed civil RICO judgment against appraisers, insureds, claimants and body shop owners for fraudulent insurance claims relating to accidents that did not occur or for repair work never performed or the value of which was inflated); *United States v. Neapolitan*, 791 F.2d 489 (7th Cir. 1986) (court upheld RICO convictions of individuals who were members of “chop shop” operations); *Keystone Ins. Co. v. Houghton*, 692 F. Supp. 466 (E.D. Pa. 1988), *rev'd on other grounds*, 863 F.2d 1125 (3d Cir. 1988) (insurer brought successful civil RICO case against individuals who had been involved in a staged automobile accident ring); *United States v. Console*, 13 F.3d 641 (3d Cir. 1993) (defendants convicted under RICO for conducting the affairs of a law firm and medical clinics through fraudulent personal injury claims); *Empire Blue Cross and Blue Shield v. Tsoi*, 1998 WL 157058 (S.D.N.Y., April 2, 1998) (insurance company filed lawsuit against an acupuncturist and physician for common law fraud and other claims related to alleged fraudulent claims submitted to the insurance company); *American Mfr. Mut. Ins. Co. v. Townson*, 912 F.Supp. 291 (E.D. Tenn. 1995) (insurance company filed claims for common law fraud and RICO against a married couple who fraudulently claimed that their home had been burglarized and had similar prior claims); *Corporation Insular De Securos v. Reyes Munoz*, 826 F.Supp. 599 (D. Puerto Rico 1993) (court finds evidence of an association-in-fact enterprise in refusing to dismiss RICO claim against insurance corporation insiders accused of submitting, processing and paying out fraudulent insurance claims); *State Farm Mutual Automobile Ins. Co. v. Rosenfield*, 683 F.Supp. 106 (E.D. Penn. 1988)(law firm accused of carrying out fraudulent auto accident insurance scheme constituted an enterprise for RICO purposes).

II. INSURANCE FRAUD CASES INVOLVING THE USE OF FALSE SOCIAL SECURITY NUMBERS

United States v. Colello, 16 F.3d 193, 194 (7th Cir. 1994) (“[t]he defendants typically used aliases, false social security numbers and forged identifications to purchase insurance policies and make fraudulent claims.”); *Commonwealth v. N. Sbordone*, 678 N.E.2d 1184 (Mass. 1997) (chiropractor using false names and social security numbers in fraudulent claims); *United States v. Fang*, 937 F.Supp. 1186 (D. Md. 1996) (physician and his wife issued bills under “Y.K. Chang, M.D.” with social security number different from that of Dr. Chang); *U.S. v. Alanis*, 945 F.2d 1032 (8th Cir. 1991) (defendant used false social security number on insurance application); *U.S. v. Crittendon*, No.97-20063-TU (W.D. Tenn., Western Div.) (three employees of managed care organization indicted for fraudulently enrolling more than 580 patients in a state health care program, using social security numbers assigned to individuals who were dead when applications submitted); *Commonwealth v. Ellis*, 1998 WL 470551 (Mass. Super.), (two Boston personal injury attorneys indicted for using phony social security numbers, aliases and false medical records to collect \$380,000 in insurance claims).

III. USE OF FALSE ADDRESSES

United States v. Jackson, 25 F.3d 327 (6th Cir. 1994) (defendant used false names and addresses in multiple claims of damages to rental cars in an insurance fraud scheme); *United States v. Panza*, 750 F.2d 1141 (2nd Cir. 1984) (the addresses used by defendant in fraudulent insurance claims “were either home addresses of the organizers, post office boxes or addresses of the organizers’ friends and relatives, all of who knew of and were profiting from the frauds”); *United States v. Rothberg*, 896 F.Supp. 450 (E.D. Penn. 1995) (after suspicious fire that defendant was suspected of starting, defendant moved to a different state and used a new name and address).

IV. PAST AND CURRENT EMPLOYMENT VERIFICATION

Medina v. Foundation Reserve Ins. Co., Inc., 940 P.2d 1175 (N.M. 1997) (the court set aside an injury award granted to the plaintiff in arbitration after the insurance company discovered that he had provided false testimony regarding his employment history).

V. ECONOMIC MOTIVES DRIVING INSURANCE FRAUD

United States v. Awon, 135 F.3d 96 (1st Cir. 1998) (arson to collect \$80,000 in insurance on the building burned and \$12,000 in insurance to cover “business interruption”); *Benjaminov v. Republic Ins. Group*, 241 A.D.2d 473 (N.Y. 1997) (arson to collect monies spent but not recovered when apartment complex was renovated shortly before the arson); *United States v. Flaherty*, 76 F.3d 967 (8th Cir. 1996) (aiding and abetting arson of defendant’s own restaurant to collect insurance proceeds to cover financial troubles); *K&T Enterprises, Inc. v. Zurich Ins. Co.*, 97 F.3d 171 (6th Cir. 1996) (arson to failing business caused policy to go unpaid); *Ferry v. State*, 1988 WL 46357 (Tex. Ct. App., May 12, 1988) (murder of policyholder’s wife to collect substantial life insurance he had purchased shortly before her death); *State v. Nickles*, 728 P.2d 123 (Utah 1986) (kickback and fraud scheme involving creditors of defendant).

VI. FRAUDULENT CLAIMS HISTORY

Bunion v. Allstate Ins. Co., 502 F.Supp. 340, 342 (E.D. Pa. 1980) (evidence of seven prior insurance claims in nine years was inadmissible to show that claimant was “claim-minded” because Allstate failed to prove sufficient nexus between the past false claims and the claim then before the court, but such evidence could be used to impeach the claimant’s credibility on cross-examination); *United States v. Fang*, 937 F.Supp. 1186, 1190 (D. Md. 1996) (evidence that defendants filed 30-40 claims with 67 insurance companies admissible to show pattern of fraudulent activity); *Hammann v. Hartford Accident & Indem. Co.*, 620 F.2d 588 (6th Cir. 1980) (evidence of six past fires on plaintiff’s property admissible to show pattern of fraud in action by an insured on his fire insurance policy); *Manes v. Dowling*, 375 A.2d 221, 223-24 (D.C. 1977) (evidence of prior claims introduced to show nature and extent of plaintiff’s injuries); *Atkinson v. Atchinson, Topeka & Santa Fe Ry.*, 197 F.2d 244, 245-46 (10th Cir. 1952) (evidence of prior claims elicited on cross-examination admitted to impeach plaintiff’s testimony of careful driving habits); *Evans v. Greyhound Corp.*, 200 A.2d 194, 196 (D.C. 1964) (evidence of prior claims admitted on cross-examination); *Mintz v. Premier Cab Ass’n*, 127 F.2d 744, 744 (D.C. Cir. 1942) (evidence of prior claims allowed on cross-examination). Other cases that illustrate the importance of a claimant’s claims history include: *United States v. Dozie*, 27 F.3d 95 (4th Cir. 1994) (defendants purchased multiple auto insurance policies and submitted fraudulent claims based on staged auto accidents); *United States v. Bennet*, 984 F.2d 597 (4th Cir. 1992) (defendants repeatedly purchased or leased properties, insured them and then set them on fire to collect insurance); *United States v. Duncan*, 919 F.2d 981 (5th Cir. 1990) (defendants purchased numerous policies that guaranteed a fixed sum of money for each day spent in the hospital, were hospitalized up to 20 times and collected hundreds of thousands of dollars in insurance proceeds); *Rafferty v. State*, 16 S.W. 2d 728 (Tenn. 1981) (defendant who denied arson allegation admitted on cross-examination to engaging in similar schemes on thirteen occasions in thirteen different cities).

VII. CLAIMS MADE SHORTLY AFTER THE POLICY INCEPTION DATE

United States v. Pringle, 1995 WL 341621 (7th Cir., June 8, 1995) (12 days after defendant insured building, the building burned down); *Interested Underwriters at Lloyds of London v. London Limousine Serv., Ltd.*, 1991 WL 79178 (S.D. N.Y., May 8, 1991) (within six months of policy issuance, vehicle was suspiciously stolen); *United States v. Westerman*, 973 F.2d 1422 (8th Cir. 1992) (three weeks after an owner of a house filed an insurance claim stating that her house had been burglarized, her house was destroyed by fire).

VIII. AUTO FRAUD

Nationwide Mut. Ins. Co. v. Perez, 1997 WL 557630 (D. P.R., Aug. 14, 1997) (insurance company filed RICO claim for over one million dollars related to an insurance scam involving previously wrecked cars); *Aetna Cas. & Sur. Co. v. P&E Auto Body*, 43 F.3d 1546 (1st Cir. 1994) (affirmed civil RICO judgment against appraisers, insureds, claimants and body shop owners for fraudulent insurance claims relating to accidents that did not occur, or for repair work never performed or the value of which was inflated); *United States v. Neapolitan*, 791 F.2d 489 (7th Cir. 1986) (court upheld RICO convictions of individuals who were members of “chop shop” operations); *Keystone Ins. Co. v. Houghton*, 692 F. Supp. 466 (E.D. Pa. 1988), *rev'd on other grounds*, 863 F.2d 1125 (3d Cir. 1988) (insurer brought successful civil RICO case against individuals who had been involved in a staged automobile accident ring); *United States v. Console*, 13 F.3d 641 (3d Cir. 1993) (defendants convicted under RICO for conducting the affairs of a law firm and medical clinics through fraudulent personal injury claims); *State Farm Mutual Automobile Ins. Co. v. Rosenfield*, 683 F.Supp. 106 (E.D. Penn. 1988) (law firm accused of carrying out fraudulent auto accident insurance scheme constituted an enterprise for RICO purposes).

IX. HEALTH CARE FRAUD

Zwirn v. Chubb Life Am., 1994 WL 323148 (N.D. Ill., June 30, 1994) (affirmative defense of pre-existing condition to coverage claim would not be stricken because the plain terms of the policy allowed for denial of coverage for an undisclosed pre-existing condition); *Tegethoff v. Metropolitan Life Ins. Co.*, 424 S.W.2d 565 (Tenn. Ct. App. 1966) (affirming finding that insured deliberately withheld information from the insurer at time of application concerning previous illness); *United States v. Green*, 114 F.3d 613 (7th Cir., 1997) (mail fraud scheme involving fraudulent medical bills and inflated medical bills); *United States v. Neely*, 980 F.2d 1074 (7th Cir., 1992) (part of automobile accident scheme included padded medical bills); *United States v. Tencer*, 107 F.3d 1120 (5th Cir. 1997) (evidence introduced against defendants included the fact that one patient’s insurer was billed for 49 visits in a five-month period, another patient’s insurer was billed for 44 visits during a three-month period, and other patients’ insurers were unnecessarily billed for between 22 and 35 visits); *Allstate Ins. Co. v. Lopez*, 710 A.2d 1072 (N.J. 1998) (alleging fraud in that many “injured” claimants were allegedly treated by the same health care providers in essentially the same manner); *United States v. Bohleman*, 1994 WL 510597 (E.D. Pa., Sept. 19, 1994) (doctor and office manager indicted for mail fraud for generating fraudulent medical bills for fictitious medical treatments as part of an ongoing scheme to defraud insurance companies); *United States v. Gamble*, 737 F.2d 853 (10th Cir. 1984) (doctor informed undercover police officers how to inflate their medical bills by claiming neck injuries that did not exist); *United States v. Hooshmand*, 931 F.2d 725 (11th Cir. 1991) (the defendant neurologist was convicted for submitting claims to Medicare and private insurers for procedures that he never performed); *People v. Ribowsky*, 568 N.E.2d 1197 (Ill. App. 2d Dist. 1991) (alleged automobile accident victims retained the services of chiropractors who inflated the bills submitted to insurance companies); *United States v. Bachynsky*, 924 F.2d 561 (5th Cir. 1991) (defendant clinic owner performed numerous unnecessary medical tests and billed the patients’ insurance companies).

X. SUSPICIOUS INDICATORS IN PROPERTY CLAIMS

United States v. Westerman, 973 F.2d 1422 (8th Cir. 1992) (presence of an accelerant, insured reported a burglary three weeks before her house burned, and owner was behind in virtually all of her bills); *State v. Woodson*, 629 A.2d 386 (Conn. 1993) (defendant had severe financial problems, policy was purchased less than one month before the fire, and the investigators found patterns of a petroleum product on the floors and the walls); *United States v. Saltzburg*, 1994 WL 46530 (E.D.Pa., Feb. 17, 1994) (defendant in financial straits, insurance coverage increased from \$150,000 to \$250,000 approximately two and a half months before the fire, incendiary nature of fire, yet no signs of forced entry on the

premises); *United States v. DiSanto*, 86 F.3d 1238 (1st Cir. 1996) (gasoline soaked boards in the premises, defendant had financial problems and purchased \$90,000 of business interruption insurance two months before the fire); *United States v. Ruiz*, 105 F.3d 1492 (1st Cir. 1997) ((1) defendant \$14,000 in arrears at the time of the fire; (2) purchased policy six weeks before the fire; (3) two days before the fire, the store was fully stocked, and yet, “a casual inspection of the damaged store revealed very little burned or charred merchandise; rather, all that was visible were a few beverage bottles, some canned goods and minimal charred foodstuff”; (4) the fire originated in two distinct areas; and (5) the burn pattern indicated that an accelerant, such as gasoline, had been poured throughout the store, yet there were no reports of any gas leaks during the six years prior to the fire).

Interested Underwriters At Lloyds of London v. London Limousine Serv., Ltd., 1991 WL 79178 (S.D. N.Y., May 8, 1991); *Candido v. Worcester Ins. Co.*, 1997 WL 435837 (Conn. Super. Ct., July 22, 1997); *Commonwealth v. Chery*, 628 N.E.2d 27 (Mass. App. Ct. 1994); and *Dlugosz v. New York Central Mut. Fire Ins. Co.*, 518 N.Y.S. 2d 237 (Sup. Ct. App. Div. 1987). In *Interested Underwriters*, a Rolls Royce was insured for theft in the amount of \$70,000. (*Id.*) Several months later, a police officer found the car on a street with “the keys in the ignition and the window on the driver’s side down.” (*Id.* at *1.) The officer had the car impounded. Six days later, the owner of the car reported the car stolen. In the end, through civil litigation, the owner was ordered to pay back the amount he received from the theft coverage from his insurance policy. (*Id.* at *2.)

XI. WORKERS’ COMPENSATION FRAUD

Williamson v. Haynes Best Western of Alexandria, 688 So.2d 1201 (La. App. 4th Cir. 1997) (family created businesses and then fabricated accidents to allow family members to make fraudulent workers’ compensation claims); *United States v. Gall*, 1996 WL 684404 (D. Conn. Aug 12, 1996), *aff’d* 1998 WL 387709 (D. Conn. Apr. 8, 1998) (employer committed application fraud by misrepresenting the nature of his business, payrolls and types of employees to secure lower premiums); *Gall* (employer submitted claims for employees of one company to the workers’ compensation carrier for another company owned by the employer); *Zenith Insurance Company v. Eisenberg*, 98 F.3d 1348 (9th Cir. 1996); *State of Louisiana v. Johnson*, 719 So.2d 68 (La. App. 4th Cir. 1997) (employee lied about the nature and extent of injury in workers’ compensation claim); *Tensfeldt v. Workers’ Compensation Appeals Board*, 66 Cal App. 4th 116 (1998) (employee lied about the circumstances under which he was hurt); *State of Utah v. Ellingsworth*, 966 P.2d 1220 (Ct. of App. 1998) (employee allegedly injured in accident to which there were no witnesses failed to fully disclose medical history); *Blanton v. Razorback Steel Corp.*, 1987 WL 7122 (Ark. App. Feb. 25, 1997) (employee failed to fully disclose medical history); *United States v. Edgar*, 82 F.3d 499 (5th Cir. 1996) (employee failed to disclose to workers’ compensation carrier that he was self-employed while collecting full benefits).

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