



Working together to reduce fraud will lower the cost of insurance.

What Can You Do?

Be alert to suspicious incidents

- Pedestrians who claim you backed into them but don't appear injured and who want your insurance information.
- You're in a collision and the other driver leaves the scene without giving you insurance information.

Report suspected fraud immediately to:

- The Insurance company you suspect is being defrauded. You may even be eligible for a reward if you report a scam. By law the company must report a suspicious claim within 60 days to the CA State Insurance Division's Fraud Investigation Branch.

- The CA Dept. of Insurance Consumer Hotline at www.insurance.ca.gov or 1-800-927-4357.

Preserve all information pertaining to the suspected fraud

Examples:

- Any information you have on the suspect (name, driver's license)
- Any information on the suspect's vehicle
- Any information on the suspect's insurance company
- Any cell phone photos of suspect, auto damage, email or text exchanges with the suspect

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Accident or Fraud?

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Insurance Fraud 101

Insurance fraud can be false claims submitted by policy holders, third-party claimants, or medical care providers. The suspect deliberately submits false information to an insurer to obtain unwarranted reimbursement on a claim or series of claims related to an insurance policy.

Examples of Insurance Fraud

- Falsifying a theft
- Obtaining a policy after a loss has occurred and making a claim
- Exaggerating property damage claims
- Intentionally causing or staging damage or accidents
- Falsifying property or tow receipts
- Aiding, soliciting or conspiring to commit insurance fraud
- Submitting medical provider claims for services not rendered
- Billing for unlicensed medical providers
- Billing for complex procedures to receive higher reimbursements

The US insurance industry consists of more than 7,000 companies that collect over \$1 trillion in premiums each year. The massive size of this industry provides more opportunity and bigger incentives to commit fraud.



Insurance fraud costs California residents over \$15 billion annually costing each resident an average of more than \$500 per year.

Insurance Fraud Affects Everyone

- Fraud is the second most costly white-collar crime in America (behind tax evasion)
- A portion of every premium dollar goes to pay for insurance fraud

Penalties

An individual who commits insurance fraud may be charged with:

- Felony for fraud – 5 years in prison and/or fine of \$50K or double the amount of the fraud (whichever is greater)
- Misdemeanor for fraud – one year in jail and/or fine not exceeding \$10,000