

SAN MATEO COUNTY DISTRICT ATTORNEY'S INSURANCE FRAUD UNIT

INSURANCE FRAUD IMPACTS US ALL

Insurance fraud is pervasive. According to the California Department of Insurance, insurance companies reported over 15,000 suspected fraudulent claims from 2008-2010 in California. When insurance fraud is committed by those who use deceit for personal gain, we all pay higher premiums and higher costs for goods and services as a direct result. According to the National Insurance Crime Bureau (NICB), insurance fraud costs billions of dollars each year. With the current economic climate, everyone can agree that the less coming out of taxpayers' pockets, the better.

OUR CONTINUED COMMITMENT

The San Mateo County District Attorney's Insurance Fraud Unit is comprised of an experienced attorney, two District Attorney inspectors and an investigative assistant who are not only committed to diligently investigating and prosecuting insurance fraud but also to taking a proactive stance to prevent fraud by offering training to employers, unions, workers' compensation carriers, special investigations units and third party administrators.

Insurance companies are required by law to report suspected fraudulent claims. A significant number of fraudulent claims, however, do not get reported mainly because a person does not know that the act committed was a crime and/or does not know to whom to report the crime. Please contact us or the California Department of Insurance if you believe insurance fraud has been committed. If you wish to remain anonymous, please provide as much suspect information as possible, and if you know, provide the name of the insurance carrier and/or employer.

CONTACT US

San Mateo County District Attorney
Insurance Fraud Unit
400 County Center, 4th Floor
Redwood City, CA 94063
Phone: 650-363-4936

Fax: 650-599-1681
mdevan@co.sanmateo.ca.us

Or you can contact:

California Department of Insurance
Silicon Valley Regional Office
18425 Technology Drive
Morgan Hill, CA 95037
Phone: 408-201-8800
Fax: 408- 779-7299

TYPES OF INSURANCE FRAUD

Insurance fraud can be committed in various ways but at the core in every case is a “material misrepresentation”, that is, a false statement made in order to gain a benefit under an insurance policy.

- **Workers’ Compensation Applicant Fraud:** An employee makes a false statement(s) during the course of a workers’ compensation claim in order to get benefits, such as temporary total disability payments and/or medical benefits.
- **Employer Fraud:** An employer makes a false statement(s) in order to deny workers’ compensation benefits to an employee or prevent an employee from filing a claim.
- **Claim Denial Fraud by Insurance Company:** An insurance company makes a false statement(s) in order to deny workers’ compensation benefits to an employee or prevent an employee from filing a claim.
- ***Premium Fraud:** An employer makes a false statement(s) in order to reduce workers’ compensation premiums. Typical lies include: (1) misclassifying employees; (2) underreporting the number of employees; (3) underreporting payroll; (4) reporting actual employees as independent contractors; (5) doing business under another name to avoid a higher rate.

*Employers who commit premium fraud have an unfair business advantage over their competitors since their reduced premiums allows them to place lower bids on

projects than their competitors who are paying higher premiums.

- **Insider Fraud:** Insurance agent/broker stealing premiums and not obtaining policies or issuing sham policies.
- ***Medical/Health Care Provider Fraud:** A doctor, chiropractor or other health care professional who bills for services not rendered, "up code" (billing for services that were more expensive than those actually provided), and who participate in an organized ring by paying others to recruit patients.

*Medical Provider Fraud can occur under workers' compensation, auto insurance or any kind of health insurance policies.

- **Auto Insurance Fraud:** A person made a false statement(s) to an insurance company to obtain a benefit under an auto policy. For example:
 - 1) Falsely reporting that the insured's car was stolen, burned, vandalized, etc.
 - 2) Falsely reporting the date and time of an auto accident in order to obtain coverage under a lapsed policy
 - 3) Submitting forged, altered, counterfeit receipts, invoices, etc. in support of damages
 - 4) Staging car accidents and reporting alleged sustained injuries
 - 5) Auto body repair shops falsely claiming repair work was done

PENALTY

Insurance Fraud is a felony with a maximum penalty of 5 years in state prison and depending upon the type of fraud, a fine ranging from \$50,000 to \$150,000.