

Nicole was driving without insurance and had an accident. Nicole quickly applied for insurance, and lied on the application saying she'd had no accidents. Nicole then filed a claim saying that her car had been damaged in an accident that happened after the policy took effect.

Nicole committed insurance fraud, a serious crime in Utah.

A crime that ranges from a Class "A" Misdemeanor to a 2nd Degree Felony.

Those convicted of Insurance Fraud face fines, legal fees, restitution, even prison time. Not to mention a wide range of personal and professional consequences, such as job loss and harm to reputation and relationships. It's a crime that goes on your permanent record.



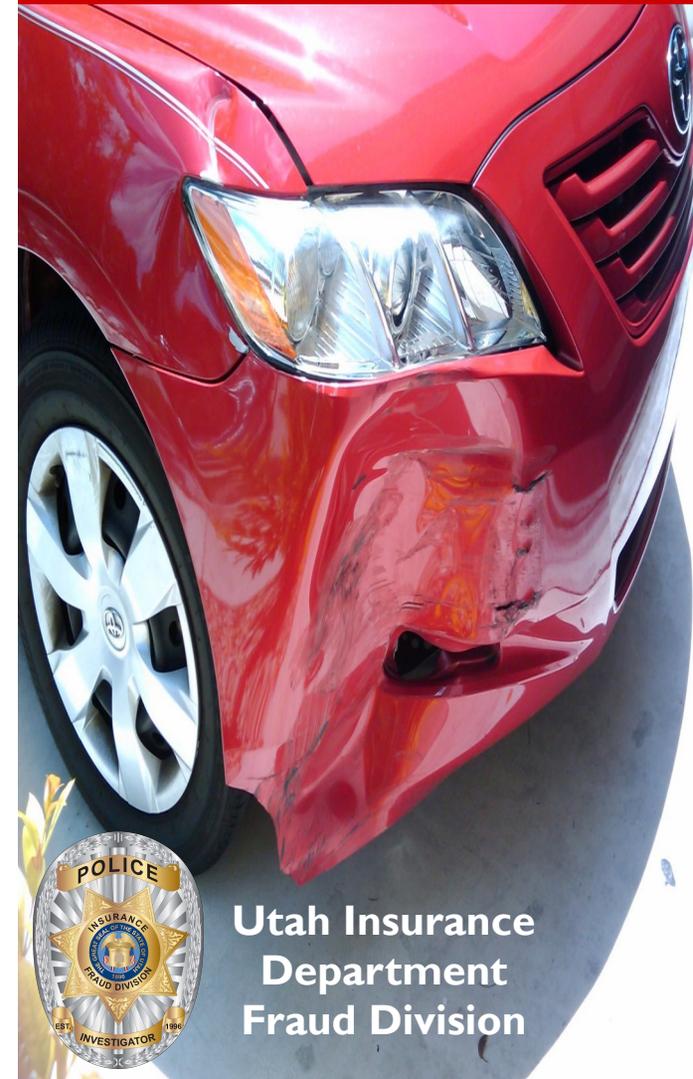
UTAH INSURANCE DEPARTMENT FRAUD DIVISION

**1385 S. State Street, #110
Salt Lake City, Utah 84115**

Phone: 801-468-0233
Fax: 801-468-0003
www.ifd.utah.gov

AUTOMOTIVE INSURANCE FRAUD

IS A SERIOUS CRIME.



**Utah Insurance
Department
Fraud Division**

When Jason purchased his policy, he admitted his adult son Paul lived with him but did not have a valid driver's license, so Paul was listed on the policy as an "excluded driver". Jason's policy was clear that the insurance company would not pay any claims for loss or injury if Paul was operating a vehicle at the time of an accident. But after Paul crashed Jason's car into a telephone pole, Jason submitted a claim and lied by saying he was the driver.

THE CRIME...

Automotive insurance fraud entails someone deceiving an insurance company about a claim involving a personal or commercial motor vehicle. It can involve giving out misleading information or providing false documentation to support a claim.

The majority of automotive insurance fraud arrests in Utah involved:

- false claims that an accident happened after a policy or coverage was purchased, when the accident happened before coverage was added;
- false new damage claims for damage that already existed;
- false reports of stolen vehicles;
- staged auto accidents and false claims of injury; and
- claimants who conceal that a person excluded from coverage by their policy was driving at the time of the accident.

After Alberto's car was rear-ended, he felt fine and did not have any injuries. But Alberto was contacted by a Runner (a person who for money, attempts to procure a client for an attorney or a medical provider) who encouraged Alberto to seek treatment and claim a false injury. Alberto exaggerated the extent of his injuries saying his neck and back hurt. He went for medical treatment he knew he didn't really need in order to get a larger settlement from the insurance company.

CONSEQUENCES...

Automobile insurance fraud is a serious crime. In Utah it is often a felony crime with violators risking spending up to fifteen years in prison and paying up to \$10,000 in fines. There are also many other associated expenses, such as paying back the insurance company, court costs and legal fees. Plus, those found guilty of insurance fraud may have the stigma and limitations of being a convicted felon for life.



The transmission on Stacie's SUV was shot and mechanics told her it would cost \$4,000 to fix. She couldn't sell the SUV, couldn't afford to fix the transmission, and still owed the bank \$3,000 on her auto loan. She gave her keys to a "friend" to get rid of the SUV for her, and reported to the police and her insurance company that the SUV had been stolen; so the insurance company would pay off her auto loan.

PREVENTION...

There are simple ways to avoid facing the charge of automobile insurance fraud.

First, it is important to make sure insurance policies are up-to-date for each motor vehicle you own, and that these policies include at least the basic types of coverage required by Utah law.

Second, you need to understand each policy, what is and isn't covered, and to what extent. Your insurance agent can help you with this.

Learning all you can about automotive insurance fraud will help you avoid costly and life changing mistakes. *And in all aspects of your dealings with insurance companies, from applications to claims, make sure the information you provide is truthful and accurate.*

To learn more about insurance fraud and how you can prevent it, visit www.ifd.utah.gov