

# How we all pay for auto insurance fraud

## Tackling Insurance Fraud

(NC)—Insurance fraud has become a major financial problem for both insurance companies and consumers. Every time an insurance company pays a fraudulent claim, it increases the cost of doing business, which in turn is reflected in higher insurance premiums.

To help lower auto insurance premiums, the Government of Ontario recently introduced a number of initiatives aimed at combating insurance fraud. For example:

- All accident benefits claimants are now required to sign treatment plans for auto accident injuries
- Paralegals and health care providers cannot solicit or accept referral fees
- Accident benefits claimants can now be examined under oath

The efforts don't stop here. The government continues to examine initiatives aimed at combating auto insurance fraud.

Common types of fraud or attempted fraud include:

- Lying about the way a loss occurred
- Including previously existing damage to a car when submitting a claim
- Withholding information about past accidents, traffic convictions, claims, policy cancellations or non-renewals, other insurance policies held, and medical and disability history
- Receiving payment for treatments not received

If you are caught committing or attempting to commit insurance fraud:

- Your claim will be denied
- Your insurance policy may be cancelled outright

- You may pay higher premiums in the future
- You may be denied insurance in the future
- More importantly, you may also face a fine of up to \$100,000 for a first offence and up to \$200,000 for subsequent offences. In addition, you can face criminal charges under the federal *Criminal Code* and imprisonment up to 10 years.

## Do Your Part

If you suspect auto insurance fraud, report it immediately to your insurance company or call Crime Stoppers at 1-800-222-TIPS (8477) to make an anonymous report.

More information on auto insurance and insurance fraud is available at [www.autoinsurance.gov.on.ca](http://www.autoinsurance.gov.on.ca).

The Financial Services Commission of Ontario is an agency of the Ministry of Finance and regulates the province's insurance industry.

- News Canada

## Participating in a staged auto accident is no way to make "easy money"



(NC)—A common type of auto insurance fraud involves the staging of an automobile accident and the filing of fraudulent automobile accident or damage claims.

### Don't be talked into participating in a staged auto accident

If you are caught committing or attempting to commit insurance fraud, not only can you be fined up to \$100,000 for a first offence or up to \$200,000 for subsequent offences, you can also face criminal charges under the federal *Criminal Code* and imprisonment for up to 10 years.

### What should you do if you've been approached to participate in the staging of an auto accident?

If you are asked to take part in a staged accident, immediately notify your insurance company, contact the Insurance Bureau of Canada's Investigative Services Department at 1-800-761-6703, or call Crime Stoppers at 1-800-222-TIPS (8477).

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## It pays to be honest about auto insurance



Photo courtesy of Metro Creative Graphics

### Tell the truth or pay the consequences

(NC)—Providing false information to an insurer is an offence under the *Insurance Act*, which carries a fine of up to \$100,000 for a first offence and up to \$200,000 for subsequent offences. In addition, you can face criminal charges under the federal *Criminal Code* and imprisonment up to 10 years.

### Keep this checklist in mind

You can play a vital role in combating auto insurance fraud and helping to lower premiums by:

- Reading your insurance policy. Your policy provides specific details about your insurance coverage, your rights and your responsibilities under the contract.
- Reporting all accidents and losses.
- Checking over what you've filled out on your auto insurance application or claims forms to make sure you haven't made any mistakes.
- Never signing blank insurance claim forms.
- Keeping records. Get names, addresses, phone numbers, licence

plate numbers and insurance information from everyone involved in an auto accident.

- Demanding detailed repair and medical bills, and carefully reviewing them to make sure you received all goods and services that you were billed for.
- Reviewing benefit payment information from your insurance company to confirm that treatments, medical providers and dates are accurately listed.

Report any possible insurance fraud schemes to Crime Stoppers at 1-800-222-TIPS (8477) or to your insurance company. If your tip helps police or an insurance company catch someone who is committing insurance fraud, you may be eligible for a cash reward.

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