

*Welcome to the
New York State
Department of Financial Services
Insurance Frauds Bureau
Frank Orlando, Director*



*Andrew M. Cuomo
Governor*

*Benjamin M. Lawsky
Superintendent of Financial Services*

www.dfs.ny.gov

***The Insurance Frauds Bureau was created
to detect, investigate and prevent
insurance fraud.***

Did You Know?

- **The New York State Insurance Department and the New York State Banking Department were merged into a new agency – the Department of Financial Services (DFS) – effective October 3, 2011.**
- **The Insurance Frauds Bureau (IFB) has a long-standing commitment to combating insurance fraud and that commitment will continue in the new DFS.**
- **Insurers are required to report all cases of suspected insurance fraud to the IFB. The IFB received 24,161 reports of suspected fraud in 2010.**
- **A team of investigators pursues cases of suspected fraud for criminal prosecution and civil penalties.**
- **A total of 1,236 new cases were opened for investigation in 2010.**
- **The IFB posted 668 arrests in 2010 and a total of 449 criminal convictions.**

What is Insurance Fraud?

- **A homeowner falsely claims his home was burglarized and that valuable items were stolen.**
- **The owner of a repair shop offers a bribe to an insurance adjuster in exchange for an inflated repair estimate.**
- **A doctor or other health care professional charges for services not provided.**
- **A worker fakes an injury on the job in order to collect workers' compensation benefits.**
- **A driver and his co-conspirators stage accidents, while doctors and lawyers “handle” the subsequent medical claims and lawsuits.**

These are all examples of insurance fraud. Insurance fraud is a crime. Far from being a victimless crime, it victimizes every resident of New York State, costing consumers millions of dollars every year in the form of increased insurance premiums and higher prices for goods and services. Insurance fraud is a crime and it happens every day. And every time fraud occurs, it means money out of your pocket.

We're on the Job

The IFB is headquartered in New York City, with six other offices across the State. The Bureau is organized into specialized investigative units: Major Case, Arson, General, Medical, No-Fault, Auto, Workers' Compensation, Mortgage & Title and Upstate. The Mortgage & Title Unit combats the proliferation of schemes that target consumers in the real estate market. Investigators opened 21 mortgage & title fraud cases for investigation and executed 9 arrests in 2010.

Every report of suspected insurance fraud is carefully reviewed and those with the greatest potential for prosecution and conviction are assigned to one of the specialty units for investigation.

Investigators are seasoned professionals with years of law enforcement and insurance fraud investigation experience. And they are committed to the pursuit of those who commit insurance fraud.

Section 409(a) of the New York Insurance Law requires insurers that meet criteria delineated in the Law to develop a Fraud Prevention Plan that must provide for a Special Investigations Unit (SIU) to be responsible for the investigation of suspected insurance fraud. Compliance with Section 409 is strictly monitored by the Bureau's examiner staff. Examiners may also perform market conduct examinations of insurer Special Investigations Units.

The Bureau received 12,807 reports of suspected no-fault fraud during the year, accounting for 53 percent of all fraud reports received in 2010. The Department has released working drafts for public comment of amendments to Regulation 68 to help reduce fraud and abuse associated with no-fault claims, while making the no-fault system more user-friendly to injured parties and to health care providers.

We're Building a Team

The Bureau's vision of collaborative alliances with the insurance industry, prosecutors and law enforcement agencies on the federal, state and local levels was reinforced over the past year. Our strong relationship with these agencies contributed to the Insurance Frauds Bureau's 668 arrests and the 449 convictions obtained by prosecutors in 2010.

You Can Help

We need your help in the fight against the serious crime of insurance fraud. If you suspect insurance fraud, you can report it to the IFB on our toll-free hotline at 1-888-372-8369. You can also report suspected fraud by fax at 212-480-7148 or by mail. An investigator will contact you for details and the

matter is kept confidential. IFB staff monitors fraud reports and calls received on a daily basis. In addition, be sure to visit the DFS Web site at www.dfs.ny.gov. The IFB's "Consumers" section is designed to help you recognize, report and combat insurance fraud.

Don't Become a Victim

- **Make sure your insurer and your agent or broker are licensed. The Department's Licensing Services Bureau can provide licensing information.**
- **When buying a home, make sure that a proper title search has been conducted and all exceptions cleared prior to closing. Also confirm that the deed and mortgage have been recorded with the clerk's office after the closing.**
- **Don't pay insurance premiums in cash. Your cancelled check or money order stub will be your proof of payment.**
- **Review your "Explanation of Benefits" statement carefully to be sure you received all services listed.**
- **Be suspicious if, at the scene of an accident, or following an emergency room visit, a stranger recommends a particular doctor, lawyer or medical facility.**
- **Never sign a blank insurance application or claim form.**
- **You should receive a written policy within a reasonable period after purchase. Your policy ensures that the agent forwarded your premium payment to the insurer.**
- **Be wary if the price of insurance coverage offered by one insurer is substantially lower than rates from other companies. Remember, if it sounds too good to be true, it probably is.**

How to File a Consumer Complaint

Don't confuse the crime of insurance fraud with a dispute you may have with your insurer, agent or broker that should properly be reported to the Department's Financial Fraud and Consumer Protection Division. For example, delays in payment, cancellations and nonrenewals, and monetary disputes are issues with which that Division can help you. If you have such a complaint, please visit the Consumer Information section on the DFS Web site

at www.dfs.ny.gov. You will receive instructions on how to file a complaint or make an inquiry.

Important Contact Information

Insurance Frauds Bureau Hotline:

1-888-372-8369

Fraud Report Fax:

212-480-7148

Consumer Inquiries:

1-800-342-3736

Licensing Ugt xlegu:

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