



## CONSUMER ALERT:

### Don't Be a Victim: Beware of Insurance Fraud and Scams

Cunning fraudsters have perfected their skill and work daily to take advantage of well-intended insurance consumers who want to protect their assets. All consumers are impacted by insurance fraud and scams, even if not directly targeted. The Coalition Against Insurance Fraud estimates that **at least \$80 billion in fraudulent claims payments are made annually**. The amount could be more, as fraud is not always reported or detected. As a result of high fraud payouts, insurance companies increase premiums to offset the loss; the cost of goods and services may increase, and the insured property is oftentimes unnecessarily damaged.

**Don't be a victim! Beware and protect yourself from these insurance fraud schemes and scams.**



## AUTOMOBILE INSURANCE FRAUD AND SCAMS

### Repair

Unnecessary repair(s) or pretending to repair a vehicle in order to file a fraudulent or inflated insurance claim or to access your personal information. This type of scam also occurs with homes and other property.

### Staged Auto Accidents

A person(s) intentionally causes or stages an automobile accident in order to file fraudulent or inflated insurance claims with your insurance company for repairs, injuries, etc.

## GENERAL INSURANCE FRAUD AND SCAMS

### **Misrepresentation of Insurance by Agent**

Misrepresentation occurs in many forms but the most common is misleading you to believe more coverage is available or the coverage period is longer. It occurs often with short-term or limited benefit health insurance plans. Misrepresentation also occurs when non-insurance products are presented as insurance, such as discount medical plans.

### **Policy Cancellation**

A person(s) contacts you and pretends to be an insurance agent or representative from the insurance company and threatens to cancel your coverage if specific personal information or actions are not taken.

### **Unlicensed Agent**

An agent who is not licensed by the Florida Department of Financial Services or not authorized to sell insurance for a specific insurance company. If you purchase a policy from an unlicensed or unauthorized agent, the policy is not valid and you will not have coverage.

## HEALTHCARE INSURANCE FRAUD AND SCAMS

### **Fraudulent Medical Charges**

A medical provider charges for services that were not performed or falsely inflates the cost of services in order to file fraudulent insurance claims with your insurance company and receive payment.

### **Medical ID Theft**

A person using your identity and insurance to obtain medical services or prescriptions.

## HOMEOWNERS INSURANCE FRAUD AND SCAMS

### **Offers to Sell or Increase Insurance Coverage During a Disaster**

A person(s) pretends to represent an insurance company and offers to sell or increase your coverage immediately before or during a disaster. When the National Weather Service issues a hurricane or tropical storm watch or warning for any part of Florida, many insurance companies cease binding new or additional homeowners' or renters' insurance coverage. When this occurs, insurance coverage cannot be purchased until 72 hours after the last watch or warning has been lifted.

## Unlicensed Contractor

A person represents themselves as a licensed, professional contractor when, in reality, they have not been licensed by the Florida Department of Business and Professional Regulation. The unlicensed “professional” may also misrepresent their workers’ compensation and/or liability insurance coverage to give the impression that they are properly insured. Unlicensed contracting work is illegal and dangerous for you, as a consumer. Using an unlicensed contractor can put you at risk of receiving unsatisfactory, subpar repairs, which could potentially cause more issues in the future or even cause severe injury to you or someone visiting your property.

## CONSUMER TIPS

- **Be sure that your insurance company or agent is licensed to do business in Florida** by searching for the company on the Office of Insurance Regulation’s website - [www.FLOIR.com/CompanySearch](http://www.FLOIR.com/CompanySearch) - or by searching for the insurance agent on the Department of Financial Services website - <https://LicenseeSearch.FLDFS.com>.
- **Purchase and make changes to your insurance through a licensed insurance agent or your insurance company directly.** If you feel your coverage has been or will be canceled, contact your insurance agent or insurance company immediately. Verify identity before making any payments or providing personal information.
- **After receiving medical services, your insurance company may provide you with an Explanation of Benefits (EOB),** which is an overview of all of the services or prescriptions you received, fees that the insurance company paid on your behalf and your financial obligations. It also lets you know that the company has processed your insurance claims. Review your EOB to ensure no unauthorized medical services or prescriptions are listed or were billed to your insurance company. If there are unauthorized entries, contact your insurance company immediately.
- **Check with your insurance company before making repairs** to your vehicle, home, etc. to ensure you follow policy guidelines and policyholder obligations.
- **Review and ensure you understand any documents or contracts before signing.**
- **Verify that repair companies/vendors are legitimate,** and have the proper liability and workers’ compensation insurance coverage.
- **Be leery of unsolicited calls.** Companies should not call you unsolicited requesting personal information or ask you to verify details of your insurance coverage.

- **Do not trust the caller ID.** While the name and number may appear to be that of an insurance company, it may be a scam artist attempting to obtain your personal insurance information.
- **Don't allow anyone to use your insurance card for services or to make fraudulent insurance claims.**
- **Check your credit report to ensure no one has opened new lines of credit in your name** for the purposes of receiving medical care, i.e. credit cards that specifically cover medical or dental procedures. Visit [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com) to review your free credit report.

## RESOURCES

Florida Department of Financial Services | Office of the Insurance Consumer Advocate | 850.413.5923 | [www.MyFloridaCFO.com/Division/ICA](http://www.MyFloridaCFO.com/Division/ICA)

Florida Department of Financial Services | Division of Consumer Services | Toll-free Insurance Consumer Helpline | 1.877.693.5236 | [www.MyFloridaCFO.com/Division/Consumers](http://www.MyFloridaCFO.com/Division/Consumers)

Florida Department of Financial Services | Division of Insurance Agent and Agency Services | Verify Insurance Agent License | 850.413.3137 | [www.MyFloridaCFO.com/Division/Agents](http://www.MyFloridaCFO.com/Division/Agents)

Florida Department of Financial Services | Division of Investigative and Forensic Services | Report Insurance Fraud | 850.413.3136 | [www.MyFloridaCFO.com/Division/DIFS](http://www.MyFloridaCFO.com/Division/DIFS)

Florida Department of Financial Services | Division of Workers' Compensation | Verify Workers' Compensation Coverage | 850.413.1609 | [www.MyFloridaCFO.com/Division/WC](http://www.MyFloridaCFO.com/Division/WC)

Florida Department of Business and Professional Regulation | Verify Contractor License | 850.487.1395 | [www.MyFloridaLicense.com](http://www.MyFloridaLicense.com)

Florida Office of Insurance Regulation | Company Search | (Life and Health Companies) 850.413.2512 | (Property and Casualty Companies) 850.413.2575  
[www.FLOIR.com/CompanySearch](http://www.FLOIR.com/CompanySearch)

# CONSUMER ALERTS

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The Voice for Florida's Insurance Consumers

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