

Kentucky Department of Insurance

Division of Insurance Fraud Investigation

DOI Mission Statement

"We promote sound, competitive insurance markets; protect the public through effective enforcement and regulation; and empower the public through outreach and education."

FIGHT FAKE INSURANCE
STOP. CALL. CONFIRM.

Division of Insurance Fraud Investigation
500 Mero St., P.O. Box 4050
Frankfort, KY 40604-4050
502-564-1461
502-564-1464 FAX

Kentucky Department of Insurance
500 Mero St., P.O. Box 517
Frankfort, KY 40602-0517
502-564-3630
502-564-6090 FAX

800-595-6053 (in KY); 502-564-3630 (out of state)
800-648-6056 TDD (Deaf/Hard of Hearing)
<http://insurance.ky.gov/>



Kentucky Public Protection Cabinet
Department of Insurance
P.O. Box 517, Frankfort, KY 40602-0517
800-595-6053 (in KY); 502-564-3630 (out of state)
Deaf/hard-of-hearing: 800-648-6056
<http://insurance.ky.gov/>

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Voice, call 800-648-6056.

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The Division of Insurance Fraud Investigation is empowered to conduct criminal investigations of suspected fraudulent insurance acts. Insurance related fraud could be committed by anyone. It consists of any fraudulent activity, which can be committed by applicants for insurance, policyholders, third party claimants, agents, employees of insurance companies or professionals who provide services to be paid by insurance. This includes inflating claims, misrepresenting facts to obtain a lower premium, stealing insurance company assets or premiums, submitting claims for injuries that have never occurred, or issuing or knowingly presenting fake or counterfeit documents that purport to evidence insurance.

Special Investigations Unit

Insurance carriers are required to create, implement, and maintain a fraud plan, which includes the creation of Special Investigation Units to investigate reports of suspected fraudulent activity. Carriers are also required to designate at least one primary contact person, but not more than four contact persons, who shall communicate with the Division of Insurance Fraud Investigation relating to the reporting, investigation and prosecution of suspected fraudulent insurance acts.

Kentucky Law

The Kentucky Insurance Fraud Statute (**KRS Chapter 304.47**) incorporates many model concepts. The law provides for:

- Felony penalties
- Restitution
- Confidentiality
- Immunity

What is insurance fraud?

Criminal fraud is defined by the Kentucky Insurance Fraud Statute (**KRS Chapter 304.47**) and may be committed by an individual or several people in a sophisticated conspiracy. Fraud generally involves elements of theft and dishonesty.

Examples include:

- Fake accidents and disability
- False applications and claim
- Theft of insurance premium
- Arson
- False medical billing
- Unauthorized insurance companies

Indicators of Fraud

Reports of criminal activity often show indicators of fraud. Investigators look at these “red flags” to determine if an investigation should be pursued. Examples of the many indicators of fraud include:

- No witness to accident
- Lengthy recovery period
- Unusual medical treatment
- Improperly issued insurance policies
- Deceptive or misleading sales tactics
- Cash transactions
- Lack of cooperation
- Excessive demands

What is the cost of insurance fraud?

Fraud provides the criminal element an avenue to illegally obtained money. The Coalition Against Insurance Fraud estimates that insurance fraud totals \$308.6 billion annually but may cost the average American family up to \$3,700. The Insurance Research Council estimates that 14 percent of motorist nationwide drive without auto insurance and in some states, that number may be as high as 30 percent.

How do I report insurance fraud?

To report allegations of criminal activity involving insurance, visit the Kentucky Department of Insurance web page at <https://insurance.ky.gov>, under “How Do I?”, click on Report Suspected Insurance Fraud:

- The Fraud Reporting Form should be submitted to the Division of Insurance Fraud Investigation by insurers and other agencies. Insurers and other agencies can also use the Department’s [eservices web portal](#) to electronically report suspected fraudulent insurance acts.
- Consumers can submit information online by completing the [Uniform Suspected Insurance Fraud Reporting Form](#).
- If you prefer to submit written reports to the Division of Insurance Fraud Investigation by regular mail, please include a completed copy of the [FD-1 Report Fraud Form](#).

You may also reach the Division of Fraud Investigation by mail at 500 Mero Street 2 SE 11, P.O. Box 4050, Frankfort, KY 40604-4050.