

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
909 Leewood Drive
P.O. Box 4050
Frankfort, KY 40604-4050
502-564-1461
502-564-1464 FAX

Kentucky Department of Insurance
215 W. Main Street
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/>

Printed with state funds
on recycled paper



The Kentucky Department of Insurance does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability or veteran status. The cabinet provides, on request, reasonable accommodations necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternate format, contact the Department of Insurance, Communications Office, P.O. Box 517, Frankfort KY 40602-0517, 800-595-6053 (in KY) or 502-564-3630 (out of state). Hearing and speech-impaired persons can contact an agency by using the Kentucky Relay Service, a toll-free telecommunication service. For Voice to TDD call 800-648-6057. For TDD to Voice, call 800-648-6056.

June 2022

TEAM
KENTUCKY

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 claims
- 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 \$80 billion annually but may cost the average American family up to \$950 per year. 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?

Allegations of criminal activity involving insurance and workers’ compensation may be reported to the Kentucky Department of Insurance at 800-595-6053 (in KY) or 502-564-3630 (out of state), or directly to the Division of Fraud Investigation at 502-564-1461; the workers’ compensation hotline at 800-554-8601 or contact your nearest law enforcement agency. You may also reach the Division of Fraud Investigation by mail at 909 Leewood Drive, P.O. Box 4050, Frankfort, KY 40604-4050.