

■ Good Hands® Advice

Tips to help you be prepared and informed



Insurance Fraud Costs All Canadians

Insurance fraud occurs when someone intentionally deceives an insurance provider to receive money or other benefits they are not rightfully entitled to receive. Sometimes it's through a highly coordinated criminal scheme. Other times, it's an average person taking what they perceive as an opportunity to improve their own circumstances in a way they may think "doesn't really hurt anybody." But fraud costs all Canadians.

What Does Fraud Look Like?

Insurance fraud may be classified as "hard" or "soft".

- Hard fraud is a deliberate attempt either to stage or invent an accident, injury, theft, fire or other type of loss for the purpose of receiving payment under an insurance policy.
- Soft fraud, sometimes called opportunity fraud, occurs when a legitimate claim is exaggerated. Generally a person over reports their losses in an attempt to replace items with items of greater value, or to take advantage of benefits that they may not be entitled to receive.

How Does the Insurance Industry Identify and Deal With Fraud?

The insurance industry works closely with the public and law enforcement, devoting a considerable amount of resources to investigating potentially fraudulent claims. Once it has been determined that fraud has occurred a company may either:

- deny the claim
- cancel the policy
- initiate legal action

Insurance companies like Allstate are continually working on new ways to stop, prevent and detect fraud quickly.

How Does Fraud Affect You?

The effects of insurance fraud are far-reaching. One incidence of fraud can affect many including:

- Emergency responders like police, fire and EMS workers who respond to the scene of a staged accident.
- Health care workers who must accommodate claimants who seek treatment for non-existent injuries, while people with legitimate health concerns are forced to wait.
- Legitimate businesses including auto mechanic shops, tow truck companies, and contractors who are all negatively impacted through lost time and wasted resources.

- You – the customer. The insurance industry estimates that a minimum of 15 cents of every dollar paid in premiums goes to covering fraudulent claims.

Protect Yourself

Innocent people are often at risk of becoming entangled in fraud through "staged collisions" or when they are offered services by fraud perpetrators.

- If you are in a collision, make sure you obtain the proper information from the other party and report the claim immediately to the authorities and your insurance provider.
- Secure the contact information of any witnesses.
- If you need a tow truck, contact your insurance company for a trusted vendor. Carefully read everything a tow truck driver asks you to sign.
- Keep detailed records of medical treatments connected to a claim. Be sure to include: all dates, locations, and names of those who provided the treatments, and what diagnoses and services you received.
- Never take referrals offered by a stranger and never sign a blank insurance form.

Report Fraud When You See It

Report any suspicious activity when you encounter it. This is the first step in helping to solve the problem. Call 1-800-IBC-TIPS or 1-800-ALLSTATE, or visit www.ibt.ca/en/insurance_crime.

For more information on protecting yourself from insurance fraud, visit allstate.ca/learningcentre, contact your local Allstate Insurance Agency or call 1-800-allstate.

Good Hands® claims service available 24/7