



Georgia Insurance and Safety Fire Commissioner

Inside the Commissioner's Fraud Initiative

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Insurance Fraud

“What’s wrong with that?”



Insurance Fraud

- According to Insurance Information Institute, approximately 10 percent of property/casualty losses – about \$30 billion/annum
- FBI – approx. 3-10 % total healthcare expenditures



GA Dept. of Insurance

Includes, but is not limited to –

- Enforcement
 - Legal
 - Fraud Investigations



Georgia DOI

Fraud Investigations Div. (formerly Fraud Unit)

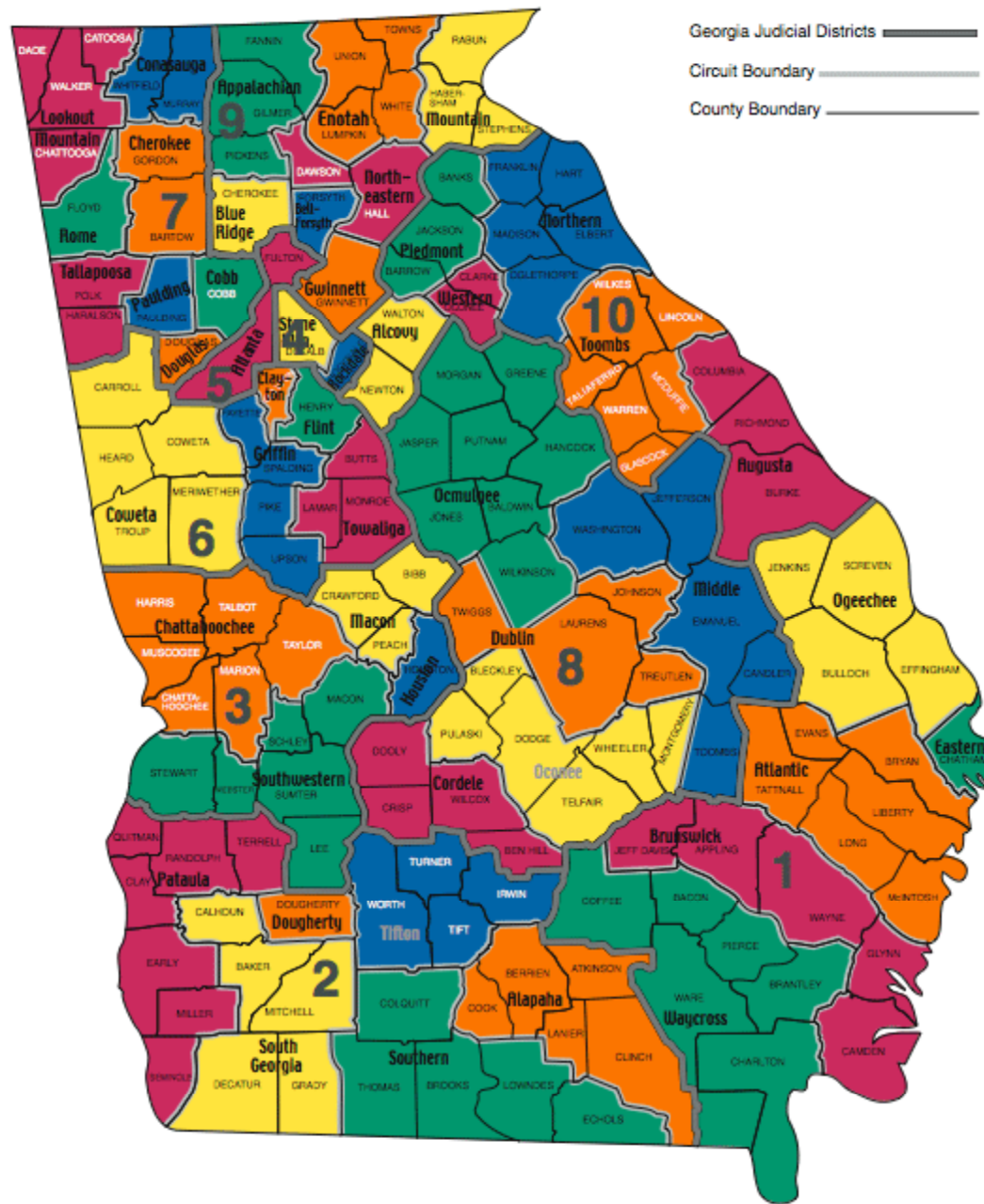
- Director
- Compliance Investigator/Ofc. Admin.
- Two (2) team leaders (Supervisory Special Agents)
- Eight (8) other certified law enforcement officers (Special Agents)



Georgia DOI

Statewide investigative jurisdiction

- 159 counties
- 49 Judicial Circuits





Commissioner Hudgens' Fraud Initiative

Special Fraud Fund – additional assessment per 2011 General Assembly – cooperation of insurers in Georgia

Additional investigators

Focus/philosophy



Insurance Fraud

O.C.G.A. § 33-1-9. Insurance fraud; venue, penalty

(a) Any natural person who knowingly or willfully;

(1) Makes or aids in the making of any false or fraudulent statement or representation of any material fact or thing:



Insurance Fraud

- *(A) In any written statement or certificate;
- *(B) In the filing of a claim;
- *(C) In the making of an application for a policy of insurance;
- *(D) In the receiving of such an application for a policy of insurance; or



Insurance Fraud

*(E) In the receiving of money for such application for a policy of insurance for the purpose of procuring or attempting to procure the payment of any false or fraudulent claim or other benefit by an insurer;



Insurance Fraud

(2) Receives money for the purpose of purchasing insurance and converts money to such person's own benefit;

(3) Issues fake or counterfeit insurance policies, certificates of insurance, insurance identification cards, or insurance binders; or



Insurance Fraud

(4) Makes any false or fraudulent representations as to the death or disability of a policy or certificate holder in any written statement or certificate for the purpose of fraudulently obtaining money or benefit from an insurer

commits the crime of insurance fraud.



Venue

(d) In any prosecution under this Code section [33-1-9], the crime shall be considered as having been committed in the county of the purported loss, in the county in which the insured or insurer's agent received the fraudulent or false claim or application, in the county in which money was received for the fraudulent application,



Venue

or in any county where any act in furtherance of the criminal scheme was committed.

(Emphasis supplied.)



Penalties

A person convicted of a violation of this Code section [33-1-9] shall be guilty of a felony and shall be punished by imprisonment for not less than two nor more than ten years, or by a fine of not more than \$10,000.00 or both.

(Code 1933, § 56-9910, enacted by Ga. L. 1960, p. 289, § 1; Ga. L. 1985, p. 723, § 1; Ga. L. 1991, p. 1608, § 1.1; Ga. L. 1997, p. 1296, § 1; Ga. L. 1998, p. 1064, § 1; Ga. L. 2003, p.387, § 1.2; Ga. L. 2003, p. 641, § 1; Ga. L. 2004, p. 754, § 1A.)



O.C.G.A. § 33-1-16

Investigation of fraudulent insurance act; collection of evidence; immunity from liability; public inspection; enforcement.



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O.C.G.A. § 33-1-16

...(f) ...Any insurer, agent, or other person licensed under this title, or an employee thereof, having knowledge of or who believes that a fraudulent insurance act is being or has been committed shall send to the Commissioner a report or information pertinent to such knowledge or belief and such additional information relative thereto as the Commissioner or his employees or agents may require...



...(g) Notwithstanding the provisions of subsection (f) of this code section, when an insurer or an insured knows or has reasonable cause to believe that a person committed a fraudulent insurance act and which the insurer reasonably believes not to have been reported to law enforcement agency in this state, then, for the purpose of notification and investigation, the insurer or an agent authorized by an insurer to act on its behalf of the insured may notify such law enforcement agency of such (cont...)



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(cont...) knowledge or reasonable belief and provide such information relevant to the fraudulent insurance act, including the application for insurance; policy premium records; history of previous claims made by the insured; and other information relating to the investigation of the claim, including statements of any person, proofs or loss, and notice of loss. In the absence of fraud or bad faith, no insurer or agent authorized by an insurer to act on its behalf, law enforcement agency, or their respective (cont...)



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(cont...) employees or an insured shall be subject to any civil liability for libel, slander, or related cause of action by virtue of filing reports or for releasing or receiving any information pursuant to this subsection.”



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