

Consumers urged to be mindful of insurance fraud

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EXTRACT

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Local car insurance is not only a smart coverage to have for vehicle owners, but it's required of them throughout Canada, as drivers strive to find the best policy for a reasonable price. But before policyholders purchase a plan with premiums that seem too good to be true, there's a strong likelihood that they are, Ontario officials warn.

The Ontario Provincial Police recently launched a campaign aimed at informing Canadians both in the province and across the country that there are a number of advertisements posted online and in newspapers purporting to be legitimate insurance operators, but in reality are fraudsters in disguise. And with March being Fraud Prevention Month, it's the ideal time in which to make consumers aware of this.

Deputy Commissioner Scott Tod, who heads the OPP's investigations and organized crime division, noted that no sector is immune from criminal enterprises, as felonious organizations try to take advantage of consumers whenever and wherever they can.

"Fraudsters target anyone," said Tod. "The financial impact of fraudulent activities is staggering and continues to grow. The best defense against the many types of fraud is widespread public education and enhancing awareness."

For years, criminals have attempted to game the system by concocting elaborate schemes while on the roads, manufacturing accidents in an attempt to collect on the insurance proceeds that derive after making an accident claim. But insurance fraud is also manifested in other sinister fashions, as online newspaper ads and announcements proclaim to have the lowest rate available. All too often, people who may not have any idea about insurance fraud buy into what these groups are selling and wind up losing hundreds of dollars in premium payments.

OPP notes that in 2012, nearly 7,500 complaints were sent into the Canadian Anti-Fraud Center. An estimated 2,800 people lost a combined \$2.1 million after sending payments to phony vendors through money orders and cash services groups.

OPP: If you spot it, report it

Paul Beesley, a detective and leader for the OPP's anti-rackets branch, indicated that consumers have a recourse, as officials are well aware of these schemes. However, they rely on the public to be made aware of the incidents as they happen.

"To stop the harmful effects of fraud on so many aspects of our lives, it needs to be reported to police," said Beesley. "If fraud is not identified and reported for investigation, it

will continue in one form or another to fuel other illegal activities, which leads to further victimization."

Insurers point out that the prime reason for rising insurance rates is due to the insurance fraud, as providers foot the bill when claims are paid out to individuals who invented claims out of whole cloth.

To report insurance fraud, policyholders can relate an experience they had at the Insurance Bureau of Canada's website. Additionally, multiple local providers are available as well, such as the Registered Insurance Brokers of Ontario and the Financial Services Commission of Ontario. If customers are suspicious of an advertisement or claim, RIBO or FSCO can cross check their references to see if the party in question is officially licensed.

