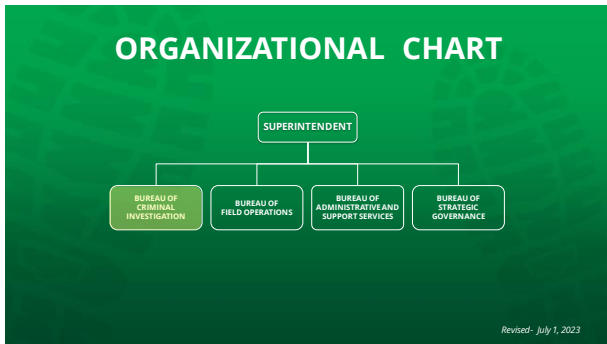




1



2



3

WHAT IS INSURANCE FRAUD?

Insurance fraud occurs when a person or persons make money or attempt to make money from insurance transactions through deception, lying, cheating or stealing for profit.

<https://youtu.be/fvM8E-5z41k?si=nDK5q2Mj0bjpHs>

4

INSURANCE FRAUD IN THE NEWS

[2 men charged with staging car crashes in New York | Watch](https://www.wtkr.com/news/2-men-charged-with-staging-car-crashes-in-New-York-1-Watch)

<https://youtu.be/rJ-KgFOl0oU?si=utqsEUt9fVrxOs1K>

5

BACKGROUND

VA Code Section 52-37 (1999)

- Established the Insurance Fraud Investigative Unit
- Under the Department of State Police

6

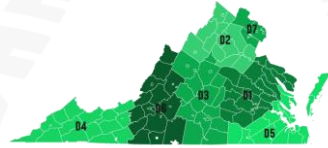
ABOUT US

- First Sergeant
- Intelligence Analyst
- Program Support Technician

7

FIELD INVESTIGATORS

The Virginia Department of State Police currently employs **18** special agents assigned to investigate insurance fraud cases across the Commonwealth.



8

FUNDING SOURCE

VA Code Section 38.2-415 denotes that each licensed insurer in the Commonwealth shall pay an assessment in an amount equal to **0.05 of one percent** of the direct gross premium income during the preceding calendar year into the Insurance Fraud Fund.

9

FUNDING SOURCE (continued...)

2,626 Licensed Insurance Carriers

\$18,615,014,000

Direct gross premium income during the preceding calendar year

10

FUNDING SOURCE (continued...)

0.05% Assessment =

\$9,307,507

INSURANCE FRAUD FUND

11

WHY THE INSURANCE FRAUD PROGRAM?

VA Code Section 52-40 requires that any insurance carrier who suspects a case involves insurance fraud **must** report that information to the Virginia State Police Insurance Fraud Program.

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IS INSURANCE FRAUD A CRIME?

The Problem We Face

- Virginia is one of just two states that does not have a specific statute for prosecuting insurance fraud

VA Code Section 18.2-178

- Obtaining money by false pretense
- Venue may be where the act was performed or where the suspect resided at the time of the offense
- Class 4 Felony;
 - Imprisonment for not less than 2 years nor more than 10 years
 - Fine of not more than \$100,000
 - Attempting to obtain money by false pretense is a Class 6 Felony
 - (1-5 years in prison + up to \$2,500 fine)



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INSURANCE FRAUD STATS - VIRGINIA

2,112

Referrals Received
49% increase from 2023

1,490

Referrals Declined
71% declination rate

335

Investigations Initiated
12% decrease from 2023

56

Arrests
5% increase from 2023

24

Cases Brought to Prosecution
4% decrease from 2023

28

Convictions
35% decrease from 2023

Source: IFP 2024 Annual Report



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INSURANCE FRAUD STATS - NATIONWIDE

\$308.6 Billion

Source: Coalition Against Insurance Fraud - 2022



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IMPACT OF INSURANCE FRAUD

Insurance fraud is estimated to add as much as **\$1,000** to the cost of goods and services for *each Virginian*.



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CASES RECEIVED

~220
Monthly

2,500 - 3,000
Annually



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TYPES OF INSURANCE FRAUD WE TYPICALLY INVESTIGATE

Property Fraud

- Overstating the amount of damage to one's home, car or other property.

Casualty Fraud

- Faking or exaggerating an accident or injury to gain money from insurance providers.

Workers' Compensation Fraud

- Making claims about a work-related injury that either didn't happen at all or occurred away from the workplace.



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CASES WE MAY NOT INVESTIGATE

Medical Fraud

- Example: Medical supply company billing equipment that is not approved or requested by the insured.
- Company is often outside Virginia; receipt of funds is often difficult to prove; the victim may be Medicare/Medicaid which is difficult to bring to trial; these should be investigated by the FBI.

Selling of Fake Insurance Policies by an Agent

- Example: An insurance agent licensed in Virginia but not physically located in Virginia sells fake policies and pockets the premium money.
- Often referred to the Bureau of Insurance; difficult to investigate as the suspect takes advantage of geography.

Inflated Repair Costs

- Example: A body shop initially quotes \$1,500 for a bumper repair, then increases that charge to \$11,000 on the final bill.
- The scope, quality, or quantity of work is difficult to prove.



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CASES WE WILL NOT INVESTIGATE

Rate Evasion

- Example: An insured misrepresents the actual location where their vehicle is garaged.
- Not a criminal offense.

Application Fraud

- Example: A person fails to disclose a teenage driver on an application for insurance.
- Not a criminal offense.

Submitted for Information Only

- Example: An incomplete file or the synopsis says, "Submitted for informational purposes only."
- Opened and immediately declined by VSP which is a time-consuming process.



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HOW DOES A CASE GET INVESTIGATED?



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BEFORE VSP CAN PURSUE CHARGES

Our special agents are required to consult with a Commonwealth's Attorney.



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SPECIAL PROSECUTORS

- City of Richmond
- City of Norfolk
- City of Salem
- Arlington County



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www.StampOutFraud.com

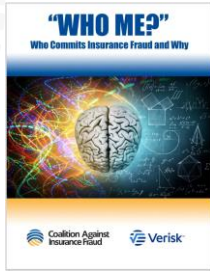
The screenshot shows a web form for reporting insurance fraud. The form includes several sections with input fields and checkboxes:

- Claim Information:** Fields for Claim Number, Date of Claim, City of Claim, and State of Claim. A red arrow points to the Claim Number field.
- State Appropriate Claim Amount:** A dropdown menu.
- Payment Status:** Checkboxes for "Have any payments been made on this claim?" and "If the claim amount is..."
- Amount of Claim:** Fields for "Amount of Claim/Date Reported" and "Amount of Claim/Date Reported".
- Claim Status:** Checkboxes for "Is claim still active?", "Has claim been denied?", and "If the Equis Body..."
- Other Claims:** Checkboxes for "Was a other claim filed?", "If not a claim?", and "Submitted for review".
- Insurance Status:** Checkboxes for "Was the claim filed by insurance?", "If Yes, a success?", and "If No, a claim?".
- Payment Method:** Checkboxes for "Have any funds or payments on this claim went through the bank?" and "If Yes, a claim?".
- Final Status:** Checkboxes for "Was a proof of loss submitted?" and "If Yes, a claim?".



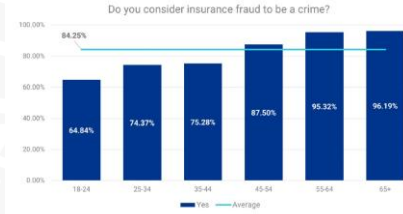
24

PUBLIC PERCEPTION



25

PUBLIC PERCEPTION



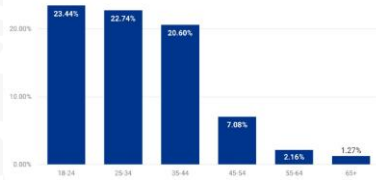
Source: Coalition Against Insurance Fraud - 2023



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PUBLIC PERCEPTION

I definitely would submit a claim for vehicle damage caused in a prior car accident



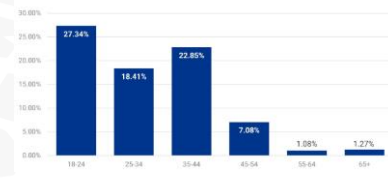
Source: Coalition Against Insurance Fraud - 2023



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PUBLIC PERCEPTION

I definitely would submit a workers compensation claim for an off-work recreation injury



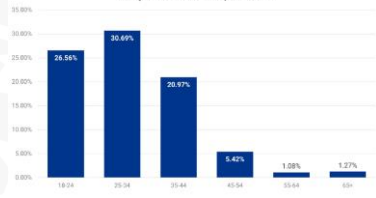
Source: Coalition Against Insurance Fraud - 2023



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PUBLIC PERCEPTION

I definitely would submit a claim for damage to my home caused in a prior storm



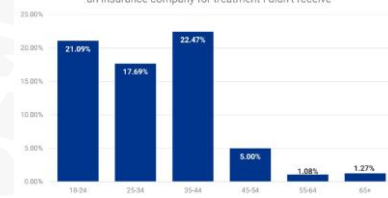
Source: Coalition Against Insurance Fraud - 2023



29

PUBLIC PERCEPTION

I definitely would help a medical provider bill an insurance company for treatment I didn't receive



Source: Coalition Against Insurance Fraud - 2023



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PUBLIC PERCEPTION

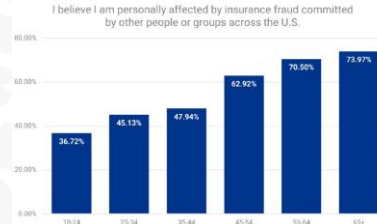


Source: Coalition Against Insurance Fraud - 2023



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PUBLIC PERCEPTION



Source: Coalition Against Insurance Fraud - 2023



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BUILDING PUBLIC AWARENESS

2025 IFP Advertising Campaign

TheCostofFraud.com



<https://www.live5news.com/2025/06/27/charleston-county-woman-charged-insurance-fraud-investigation/>



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SO WHAT ARE WE DOING ABOUT IT?



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INVESTIGATIONS

Special Agents initiated 335 investigations in 2024

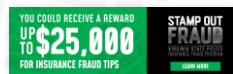
<https://share.google/62fsXbJB4oH8dAeNT>



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REWARDS FOR TIPS

VA Code Section 52-42



VSP Web Banner



Banner Ads



Posters

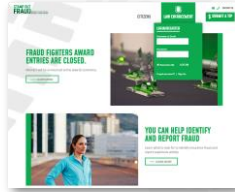


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WEBSITE

StampOutFraud.com

- Educational information for citizens
- Law enforcement restricted area
- News and event
- Insurance fraud quiz
- Annual reports
- Submit a tip for a reward



www.StampOutFraud.com



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HOTLINE

1-877-62-FRAUD

- Answered Mon – Fri
 - 8:00 a.m. - 4:30 p.m.



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PUBLIC OUTREACH



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PARTNERING WITH THE SCC

Bureau of Insurance

- Licensing
- Regulatory Control
- Public Adjusters



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REACHING LAW ENFORCEMENT

<p>PARTNERS IN FIGHTING CRIME</p> <p>INSURANCE FRAUD</p> <p>STAMP OUT FRAUD</p> <p>WORKING TOGETHER TO COMBAT INSURANCE FRAUD</p> <p>CONTACT US 804-676-2769</p> <p>Facebook, Twitter, YouTube icons</p>	<p>STAMP OUT FRAUD</p> <p>WORKING TOGETHER TO COMBAT INSURANCE FRAUD</p>	<p>SUPPORTING YOUR EFFORTS</p> <p>AWARDS & COMPENSATION</p> <p>SPECIAL PROSECUTORS</p>	<p>RECOGNITION & NETWORKING</p> <p>VALUABLE INFORMATION</p> <p>ANNUAL FRAUD REPORT AWARDS</p> <p>AWARDING BOARD MEETINGS</p>	<p>SPREADING THE WORD</p> <p>REGULATORY OUTREACH ASSISTANCE</p> <p>PUBLIC RELATIONS</p>
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CONCLUSION – INSURANCE FRAUD

IS ...

- Becoming more prevalent.
- Costing citizens money.
- Being investigated by 23 special agents.
- A chance for us to collaborate.



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