



Fighting Fake Insurance

Beware of insurance scams

Insurance fraud has been around as long as insurance. It costs businesses billions of dollars each year - an expense then passed to consumers in higher premiums. While the elderly are the most vulnerable to fraud, scammers can be charming and aggressive to get you to give them money. Learn to identify potential fraud to avoid getting conned. The National Association of Insurance Commissioners (NAIC) offers the following tips to protect yourself from becoming a victim.

What is insurance fraud?

Fake insurance companies or agents defraud consumers by taking money for premiums on bogus policies with no intention of paying claims. Scammers may offer policies at costs that are significantly lower than competitors' prices. They might be difficult to reach by phone if there is even a listed phone number. Always find out if the seller represents a legitimate, licensed insurer before purchasing a policy. The [South Carolina Department of Insurance](#) can provide licensing information for a company or agent.

There are also legitimate, companies that sell non-insurance products marketed to look like real insurance. For example, an agent working for a company selling health discount plans might call the plan insurance when it is really an unregulated, non-insurance product. If you question whether a product is actual insurance, contact the Department.

A dishonest insurance agent might collect premiums from a customer without reporting them to the company. The consumer believes their premiums are paid while the insurance company has no record of payment and cancels or does not renew the policy. If you do not receive an insurance ID card or a copy of your policy in a timely manner, check with the company to see if your premiums have been applied to your policy.

Fraud perpetrated by consumers

Consumers can also be guilty of insurance fraud. The most common forms of policyholder fraud are with auto insurance and workers' compensation. Fraud is a criminal act leading to higher rates for all consumers. Deliberately staging an accident, exaggerating a legitimate claim or knowingly providing false information on an application are all examples of insurance fraud.

What can I do to prevent being a victim of fraud?

Stop. Call. Confirm. If you are unsure about an insurance company or agent, **stop** before signing any paperwork or issuing payment; **call** the South Carolina Department of Insurance- easily reached by phone; and **confirm** the company or agent offering insurance is legitimate and licensed to sell insurance in the state. Taking precautions won't bother honest agents and insurers.

If you believe you're a victim of insurance fraud, or are aware of fraudulent activity, take action: Contact the Department to register a complaint against the insurance company. File a report with the [Online Fraud Reporting System](#).

Who will help me?

For more information contact the South Carolina Department of Insurance Office of Consumer Services. The specially trained staff is available to assist consumers with their insurance-related questions and concerns. You may contact the Office of Consumer Services by calling our toll-free number 1-800-768-3467 Monday-Thursday 8:00 a.m. - 6:00 p.m. or Friday 8:00 a.m. - 5:00 p.m.

Consumer Alert