



# Consumer Guide

FINANCIAL AND INSURANCE INFORMATION PROVIDED BY THE D.C. DEPARTMENT OF INSURANCE, SECURITIES AND BANKING  
1050 First Street, NE, Suite 801 | Washington, DC 20002 | p 202-727-8000 | disb.dc.gov | @DCDISB

## Protect Yourself Against Insurance Fraud

Insurance fraud has become a nationwide problem, highlighted by an increase in scams around the country and in the District of Columbia. Each year, insurance fraud costs companies and consumers alike tens of billions of dollars. In order to better identify and reduce incidents of insurance fraud — and, most importantly, protect D.C. residents — the D.C. Department of Insurance, Securities and Banking (DISB) offers the following tips for identifying and responding to insurance fraud.

### Insurance Fraud

Insurance fraud occurs when an insurance company, agent, adjuster or consumer commits a deliberate deception in order to obtain an illegitimate gain. It can occur during the process of buying, using, selling or underwriting insurance.

### Types of Insurance Fraud

Fake insurance companies and dishonest insurance agents can defraud consumers by collecting premiums for bogus policies with no intention of paying claims. Phony home, health, life and auto policies typically are offered at rates that are significantly lower than the traditional market price in order to lure consumers who are looking to save money. Consumers should check in advance that they are dealing with a legitimate, licensed insurer before signing an application for a policy. You can find out if an insurance company or agent is legitimate and licensed in the District of Columbia by checking with DISB.

Legitimate companies that are not licensed in the District to sell insurance might lead consumers to think they are selling “insurance” while avoiding the District’s insurance regulations. A company selling a health discount plan might call the plan “insurance” when it is really an unregulated, non-insurance product. If you question whether a product you are offered is insurance, contact DISB.

Individuals of legitimate insurance companies can also deceive consumers for personal gain. For example, an unscrupulous insurance agent might collect premiums from a customer without passing them along to the company. The consumer believes that their premiums are being properly handled while the insurance company thinks the policyholder is not paying their premiums and, therefore, cancels or nonrenews the consumer's policy. If you do not receive an insurance ID card or a copy of your policy in a timely manner, this could be an indication that your

premiums have not been paid to your insurance company. If you have questions or concerns, contact your insurance company or DISB.

Consumers can also be guilty of insurance fraud. Deliberate attempts to stage an accident, injury, theft, arson or other type of loss that would be covered under an insurance policy; exaggerating a legitimate claim; and/or knowingly omitting or providing false information on an application for a policy are all examples of consumer insurance fraud.

## Report Suspected Insurance Fraud

If you believe that you have been a victim of insurance fraud, or if you are aware of an instance of insurance fraud, it is important to contact DISB to file a complaint against the insurance company. You can file a complaint online at [disb.dc.gov](http://disb.dc.gov), by phone at 202-727-8000 or in person at our offices at 1050 First St., NE, Suite 801, Washington, D.C.

## Stop. Call. Confirm.

If you are unsure about the insurance company or agent you are dealing with, **STOP** before signing any paperwork or writing a check; **CALL** DISB on 202-727-8000 or visit [disb.dc.gov](http://disb.dc.gov); and **CONFIRM** the company or agent offering insurance is legitimate and licensed in the District of Columbia.

## About DISB

The D.C. Department of Insurance, Securities and Banking, also known as DISB, has two missions: to fairly and efficiently regulate financial services in order to protect the people of the District of Columbia; and to attract and retain financial-services businesses to the District. Visit us online at [disb.dc.gov](http://disb.dc.gov). This information is courtesy of the National Association of Insurance Commissioners.

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