




Michigan Fraud Awareness Coalition



www.michiganinsurancefraud.org

FOR IMMEDIATE RELEASE

October 13, 2009

Contact: Lori Conarton 517/371-2880 or cell 517/243-1021

Coalition Launches Effort To Reduce Insurance Fraud

(Detroit, MI) — The recently-formed Michigan Insurance Fraud Awareness Coalition today at Detroit Fire Headquarters launched a public awareness campaign to deter insurance fraud which drives up the cost of insurance for policyholders by \$200-300 annually.

“It is estimated that one in 10 claims in Michigan is fraudulent,” said Pete Kuhnmuensch, Executive Director, Insurance Institute of Michigan. “That translates into approximately \$3 billion in this state alone, and \$80 billion nationally.”

To raise awareness about the crime, Governor Jennifer Granholm proclaimed October 11-17, 2009 as Insurance Fraud Awareness Week, an effort initiated by the Michigan Chapter of the International Association of Special Investigation Units, a member of the Coalition.

Arson-for-profit, which results when people burn or have someone else burn their residence or business to obtain insurance benefits, is a growing problem in Michigan.

“With the Michigan economic downturn and suspicious blazes rising, we are stepping up the efforts against arson insurance fraud,” said Pat Parr-Armelagos, from the Michigan Arson Prevention Committee (MAPC).

The MAPC announced its plan to raise funding for two investigators and a dedicated Wayne County prosecutor to focus on arson-for-profit in Wayne County. The grant proposal is in addition to other MAPC efforts, which include a tip-reward program, billboards, training for prosecutors, investigators and the insurance industry.

Wayne County Prosecutor Kym Worthy discussed the cooperative effort with the Michigan Arson Prevention Committee that would benefit the residents of Wayne County.

—MORE—

Insurance fraud is a felony in Michigan. Those convicted of fraud can be jailed up to four years and/or fined up to \$50,000 and ordered to pay restitution.

Here in Michigan, residents are encouraged to fight back against this insurance fraud by reporting it.

Through the Michigan Arson Prevention Committee, rewards up to **\$5,000** are paid to persons who provide information that leads to the arrest and/or conviction of arsonists. The number for reporting these crimes is 1-800-44-ARSON (800-442-7766).

The insurance industry is also involved in a program that pays for information leading to the arrest and warrant of auto thieves and chop shop operators. Citizens can call the tip line at 800-242-H.E.A.T. (Help Eliminate Auto Thefts) with information on stolen cars and suspected auto theft activities. HEAT tips are rewarded with up to \$1,000 each for information that leads to the arrest and warrant of individuals suspected of auto theft, auto theft related insurance fraud and/or auto theft related identity theft. Up to \$10,000 is available for tips that result in the arrest and binding over for trial of suspected theft ring members and/or chop shop operators. In addition, HEAT provides a \$2,000 reward for the arrest and warrant of a carjacking suspect.

The National Insurance Crime Bureau (NICB), a not-for-profit organization that receives support from over 1,000 property/casualty insurance companies also has investigators in Michigan. The NICB partners with insurers and law enforcement agencies to facilitate the identification, detection and prosecution of insurance criminals. Anyone who suspects insurance fraud can call NICB at 1-800-TEL-NICB. Callers are eligible for rewards.

The Michigan Insurance Fraud Awareness Coalition was formed in 2009 to fight back against this crime. Members are: Michigan Chapter of International Association of Special Investigation Units, Insurance Institute of Michigan, National Insurance Crime Bureau, Coalition Against Insurance Fraud and Michigan Arson Prevention Committee. For tips on how to prevent insurance fraud, visit the Coalition's new website, www.michiganinsurancefraud.org.

###