

# PA Insurance Fraud Prevention

Authority:

THE ACT



Most people view insurance as a type of “security blanket” that can protect them against financial burdens associated with property loss, accidents, or injuries. Those who commit insurance fraud undermine the positive aspects of insurance by taking advantage of opportunities to lie in an attempt to receive undeserved money from their policies.

**How do they do it?** Some provide false information on an insurance application form to secure a lower policy premium than had they been honest. Others exaggerate the amount of loss on a claim they submit in order to receive a settlement for more than the fair value. Or they “stage” accidents and attempt to get money for injuries that never occurred.

Truth is, there are many ways ill-intended people try to cheat on their insurance coverage. That’s why it’s a good idea to become familiar with how to avoid making a bad judgment call when faced with similar situations.