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For Further Information:
Marshall McKnight (609) 292-5064

Department of Banking and Insurance Announces Progress in Fight Against Insurance Fraud

TRENTON —Department of Banking and Insurance Commissioner Richard J. Badolato today announced the Bureau of Fraud Deterrence had a 48 percent increase in suspected insurance fraud cases received from the insurance industry last year. Since its creation in 2010, the Bureau has levied more than \$18.3 million fines, surcharges and restitution against insurance fraudsters.

"New Jersey residents are paying a steep price for insurance fraud, which costs each family in the state \$1,300 every year," said Commissioner Badolato. "Our Bureau of Fraud Deterrence is making great strides in combatting fraud."

Last year, the Bureau made great strides in furthering its goals by investing in its automated reporting process. The Bureau started accepting electronic referrals during the fourth quarter of 2015. The Bureau's Major Fraud Unit, established in September 2016, continues to increase productivity with its conversion to an electronic records system.

"The conversion from a paperwork product system to one which relies on electronic records required equipment upgrades and training that continues through this year," said Commissioner Badolato. "This improvement is making the Bureau more efficient, productive and effective."

The Bureau's Major Fraud Unit was established last year to tackle larger, complex, multi-transactional fraud schemes, which impact New Jersey's insurance industry. The Major Fraud Unit is staffed with existing Bureau investigators as well as new, experience staff formerly employed in the insurance industry. Earlier this year, for the first time, the Department joined with the insurance industry as co-plaintiffs in a major civil insurance fraud matter. Read more about that case here: <http://www.state.nj.us/dobi/pressreleases/pr170103.html>

Additional Bureau enforcement actions are found here:
http://www.state.nj.us/dobi/division_insurance/bfd/enforcement.htm

"In the seven years since its creation, the Bureau, working in coordination with the Office of Insurance Fraud Prosecutor, County Prosecutors and New Jersey's insurance industry has established a solid foundation that will allow it to evolve with the ever-changing insurance fraud landscape," said Badolato. "The Bureau has built upon an excellent record and made major investments in its future ability to handle the challenges which lie ahead."

October is Insurance Fraud Awareness Month to draw attention to the costs of fraud to consumers and point out the types of fraud committed. Insurance fraud occurs when an insurance consumer, agent, adjuster, or other business commits a deliberate deception in order to obtain an illegitimate gain, such as misrepresenting where a car is garaged.

Consumers who suspect that they have been a victim of insurance fraud, or are aware of an insurance fraud occurrence, should contact the Bureau of Fraud Deterrence at 609-292-7272 x 51088, or visit www.dobi.nj.gov and

complete a complaint form online at: <http://www.state.nj.us/dobi/consumer.htm#insurance> (under reason for complaint, write "Fraud" in "other description" box.)

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