

State of Idaho
DEPARTMENT OF INSURANCE

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ANTHONY J FAGIANO
Director

B U L L E T I N N O . 9 1 - 3

DATE: March 15, 1991

TO: ALL INSURANCE COMPANIES LICENSED IN THE
STATE OF IDAHO

FROM: ANTHONY J. FAGIANO
DIRECTOR

SUBJECT: VIOLATION OF FRAUDULENT CLAIMS REPORTING BY INSURERS

It has come to the attention of the Director that not all insurers are reporting fraudulent claims being made within sixty (60) days of receipt of such notice. All insurers must comply with Idaho Insurance Code, Section 41-250, including reporting any and all claims to the Director which is believed were fraudulent or were handled as fraudulent claims.

Section 41-250, Idaho Code, Fraudulent claims, states:

Any insurer which believes that a fraudulent claim is being made shall, within sixty (60) days of the receipt of such notice, send to the director of insurance, on a form prescribed by the director, the information requested and such additional information relative to the claim and the parties claiming loss or damages as the director may require. The director of the department of insurance shall review such reports and select such claims as, in his judgment, may require further investigation. He shall then cause an independent examination of the facts surrounding such claim to be made to determine the extent, if any, to which fraud, deceit, or intentional misrepresentation of any kind exists in the submission of the claim. The director of the department of insurance shall report any alleged violations of law which his investigations disclose to the appropriate licensing agency and prosecuting authority having jurisdiction with respect to any such violation.

Section 41-117, Idaho Code, Penalties for violations, states:

Each violation of this code for which a greater penalty is not provided by another provision of this code or by other applicable laws of this state, shall in addition to any applicable denial, suspension, or revocation of certificate of authority or licenses be punishable upon conviction by a fine of not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed six (6) months, or by both such fine and imprisonment in the discretion of the court. Each instance of violation may be considered a separate offense.