



Coalition Against Insurance Fraud

1012 14th Street., NW, Suite 200
Washington, D.C. 20005
202.393.7330
202.318.9189 fax

www.InsuranceFraud.org

BOARD OF DIRECTORS

Allstate Insurance
American Council on Consumer Interests
American Family Insurance
American Insurance Association
CNA
Center for Consumer Affairs
— University of Wisconsin-Milwaukee
Citizen Advocacy Center
Consumer Action
Consumer Alliance
Consumer Federation of America
Consumer Federation of the Southeast
Erie Insurance
Farmers Insurance Group
Florida Consumer Action Network
Geico
Hanover Insurance Group
Hartford Insurance Group
International Association of Insurance Fraud Agencies
International Association of Lemon Law Administrators
John Hancock Financial Services
Liberty Mutual Group
Louisiana State Police
MassMutual
MetLife, Auto & Home
National Association of Consumer Agency Administrators
National Association of Insurance Commissioners
National Conference of Insurance Legislators
National Consumers League
National Criminal Justice Association
National District Attorneys Association
National Fraud Information Center
National Insurance Crime Bureau
National Urban League
Nationwide Insurance
Office of Attorney General, Pennsylvania
OneBeacon Insurance
Pennsylvania Insurance Fraud Prevention Authority
Progressive Insurance
Prudential Insurance
Sentry Insurance
State Farm Insurance Companies
Travelers Insurance
Unum Group
Zurich North America

Dennis Jay
Executive Director

A national coalition of consumers, government agencies and insurers dedicated to combating all forms of insurance fraud through public information and advocacy.

January 27, 2012

The Hon. Clark Shultz
Chair - House Insurance Committee
Kansas House of Representatives
State Capitol
Topeka, KS 66612

RE: HB 2485

Dear Chairman Shultz:

I am submitting this written testimony in support of HB 2485 that would expand the insurance fraud plan requirements and require fraud warnings on insurance documents. The bill is scheduled to be on your committee's agenda next week.

The Coalition Against Insurance Fraud is a national broad-based alliance of insurers, consumer groups and government organizations dedicated to combating all forms of insurance fraud through education and advocacy. We are recognized as one of the leading anti-fraud organizations in the nation working closely with legislators and regulators to strengthen state insurance fraud laws and regulations.

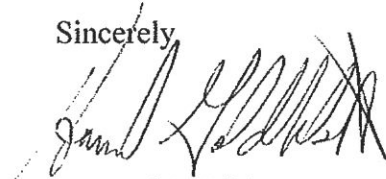
The fraud warning language in HB 2485 is based on model language the Coalition drafted and is similar to the nearly 30 state laws requiring warning language on insurance claims and applications. The key intent on requiring the warning language is to warn consumers that submitting false and fraudulent information is crime. The Coalition believes there is a deterrent effect of the warning, but a deterrence that cannot be quantified. Another aspect of the warning is a tool for law enforcement and prosecutors to use in bringing a charge of insurance fraud helping to prove that the fraudulent information was intentionally filed.

Insurance fraud is the second largest economic crime committed in our nation. The cost of the crime is borne by consumers and we should dedicate ourselves to do what we can to fight the crime and reduce the effect of insurance fraud on consumers.

We believe this legislation will help Kansas in the fight against insurance fraud and that the insurance consumers of Kansas will be the key beneficiaries of that effort. The Coalition strongly supports passage of HB 2485.

I apologize that I will not be able to be present at the hearing but will make myself available to answer any questions that you or the committee may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard Goldblatt", written over a faint, illegible typed name.

Howard Goldblatt
Director of Government Affairs