

## Anti-Fraud Groups Support EUOs Without Court Order in Kentucky

By: Coalition Against Insurance Fraud

Examinations under oath (EUO) help insurers combat fraud and should be allowed without requiring time-consuming court orders in Kentucky, the [Coalition Against Insurance Fraud](#) and National Insurance Crime Bureau (NICB) said in a joint amicus brief filed last week with the state's highest court.

"This tool benefits insurers and honest claimants by providing a means for determining the circumstance of accidents and the nature of injuries, and an intelligent, well-formed decision as to the applicability of coverage," the anti-fraud groups said in the brief to the state Supreme Court.

The agencies provided an example of a case where two Kentucky motorists claimed they were injured in a crash. They sought no-fault benefits, yet refused to take part in an examination under oath. The state appeals court said the insurer must obtain a court order to conduct the interview. State Farm appealed to Kentucky's highest court.

EUOs uncover information that enables insurers to make intelligent claim decisions that can stymie fraud and help keep auto premiums affordable for honest drivers, NICB and the Coalition said. Importantly, EUOs also validate honest claims and help ensure payment as promptly as possible.

"EUOs are a time-tested, valuable tool. They are utilized in every form of insurance coverage," the anti-fraud groups said.

Claims will be needlessly prolonged if EUOs must be resolved in courts instead of efficiently between insurers and claimants, the Coalition and NICB contend.

The groups argue that requiring court orders "encourages litigation by forcing insurers to obtain a discovery order from a court every time it is necessary to investigate a claim."

Insurers must be empowered to resolve claims as promptly as possible. EUOs elicit vital information and thwart fraud that drives up auto premiums in Kentucky.

"The result is higher premiums, potentially higher coverage deductibles, and the threat that insurers will cease doing business in Kentucky if they cannot efficiently combat suspected fraudulent claims and financial loss becomes guaranteed," the NICB and Coalition said.

The expensive, time-consuming effort will weaken anti-fraud efforts in Kentucky.

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**Coalition Against  
Insurance Fraud**

"EUOs allow the insurer to investigate the veracity of medical reports generated by providers. ... They allow the insurer to verify that treatment actually took place, that the stated treatment was of the nature the provider claims, and that they value of the service actually provided comports with the bills the provider submits," the [Coalition](#) and NICB stated in the legal filing.

The Kentucky Supreme Court is expected to rule on the case later this year.

Be social. Steadily expanding social-media using influential channels such as *Twitter*, *Facebook* and *Tumblr*.

Think visual. Making fraud a visual crime for a visual society.

Go mobile. Creating an app for easy viewing of Coalition consumer material on mobile devices.

All of these efforts work in tandem. Insurance fraud becomes real, relevant and repugnant to more consumers. This grows the reach and clout of core messages such as:

Fraud victimizes everyone.

Committing fraud can wreck your life.

Go slow, stay alert, avoid being victimized.

Report scams.

Lively fraud hubs

Our *Facebook* and *Twitter* channels are lively hubs of all things insurance fraud. *YouTube* and *Tumblr* figure strongly as well as they are rich in anti-fraud visuals and brief consumer messages. A *Twitter* chat called FraudBuzz gets people talking in group sessions.

We also post cases with a quick, teachable comment: “Three years in prison for faking a car theft. Way to drive the point home that insurance fraud is no joke...” Mugshots of bug-eyed, disheveled convicts tell a powerful deterrent story in half a second or less.

TV news stories make fraud a life downer: An “injured” employee caught jet-skiing, dramatic arrests at no-fault clinics, an insurance arsonist’s burning home and tearful fraud victims show the real-life consequences.

Twitter has a unique benefit as fraud news and other updates get tweeted throughout the day. These continuous 140-character messages ensure a steady flow of fresh anti-fraud updates to consumer followers. Many are retweeted, expanding the classroom.

Urge consumer honesty

Consumers steadily comment as well.

Authentic, active, two-way dialogue boosts the credibility of Coalition Against Insurance Fraud messages. Consumers are also effective teachers when they urge honesty. Some recent Tweets include:

Jessica: “My alternator is going and I secretly want to push my honda off a cliff to scam my insurance company so i can buy a Subaru.”

Coalition: “Costly car repair sucks, but don’t compound the problem by committing insurance fraud.”

Tweet: “Definitely ready to commit insurance fraud if I don’t graduate this summer.”

Tweet: “Coming to terms with insurance fraud committed against me and ... being told ‘this is why rates go up every year.’”

Tweet: I will split the money with whoever wants 2 hit me w their car!”

Coalition: “Imagine being fined \$10K a day; #InsuranceFraud ain’t no joke!”

Tumblr also recaps of the week’s best fraud videos and other visual fraud news.

Colleagues adopting

Another steady national social media purveyor is the National Insurance Crime Bureau, which churns out Facebook postings about fraud, vehicle theft and other varied crime topics.

“Mugshot alert! Arkansas man gets 15 years for insurance fraud” reads a recent NICB case with a memorable mugshot of a terrified fraudster.

Some groups also keep people informed in specific states. Witness Facebook efforts by the New York Alliance Against Insurance Fraud, and the Twitter account of the Pennsylvania Insurance Fraud Prevention Authority.

Some insurance departments are active as well. They share contractor alerts, busts and other useful fraud news. The California Department of Insurance, for example, is an active Facebook user. “California is ground zero for staged auto collisions,” the department recently posted.

Staying relevant

Some anti-fraud groups are taking early tentative steps. Others are farther along, and some groups need more resources to get more seriously involved.

Insurance departments and insurers also have built-in limits, despite best intentions. Anti-fraud outreach must share space with many corporate priorities. Thus it’s harder to marshal the concentrated messaging needed to fully reinforce the value of honesty.

Yet insurers, at least, are getting adept at marketing coverage, apps and other cool features via social media. Insurers can use those clever marketing skills to help build a consumer culture of honesty and zero tolerance. Fraud deterred is money saved, policyholders served and corporate brand strengthened.

The challenge goes out to the entire insurance industry to forge positive consumer attitudes — insurance associations (state and national), agents and many others. If just 5% of the thousands of people in the insurance industry regularly send out anti-fraud messages, we can visibly increase our impact.

Social media is more than a choice. It’s an urgent necessity if we’re to earn the allegiance and buy-in of more insurance consumers in combating insurance fraud.

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