



Kansas Insurance Department

Sandy Praeger

COMMISSIONER OF INSURANCE

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PRAEGER CREATES FRAUD UNIT AT INSURANCE DEPARTMENT

Attorney General Kline Empowers Department Attorneys

Kansas Insurance Commissioner Sandy Praeger announced today the creation of an Insurance Fraud Unit. The Fraud Unit will be part of the Department's Legal Division.

"One of my priorities as Insurance Commissioner is to crack down on scams that cost Kansans millions of dollars," said Praeger. "Our newly expanded Fraud Unit will work closely with law enforcement, county and district attorneys and Kansas Attorney General Phill Kline to fight insurance fraud on all levels."

With the creation of the Fraud Unit, Commissioner Praeger has restructured positions in the Department to save money this year—and in years to come by putting a dent in illegal schemes. Bob Claus has been hired as the Fraud Unit Staff Attorney. Claus is an experienced prosecutor having previously served as Montgomery County Attorney and as the Deputy Attorney General of the Attorney General's Office Criminal Division. Ted Clark has been hired as the Chief Fraud Investigator. Clark was a Special Agent with the Kansas Bureau of Investigation.

In order to give the Fraud Unit the authority it needs to prosecute insurance fraud criminals, Attorney General Phill Kline has appointed Claus to the position of Special Assistant Attorney General. This will empower Claus to prosecute criminals throughout the State. In addition, Attorney General Kline gave similar appointments to the other six attorneys in the Department's Legal Division: John W. Campbell, Hsingkan Chiang, Brenda Clary, Keri Kish, Deletria Nash and Linda Sheppard. The attorneys, two of whom are former Assistant Ford County Attorneys, will be able to assist the fraud unit when needed.

"One of government's vital functions is protecting citizens, particularly our most vulnerable neighbors, from fraud and abuse. That's why I am pleased to stand with Commissioner Praeger to go after those who steal money from or defraud the people of this state," Kline said. "We will prosecute these law-breakers to the fullest extent of the law."

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“I want to thank the Attorney General for his appointment of my attorneys to the position of Special Assistant Attorney General,” said Praeger. “This multi-agency, multi-jurisdictional project demonstrates that through cooperation, government agencies can more efficiently serve Kansans.”

“Our cooperation is already achieving great results,” said Kline. “We’ve got a bull’s-eye on insurance fraud in Kansas.”

Today the Fraud Unit is also announcing its first prosecution. Acting in concert with the Attorney General and Douglas County District Attorney Christine Kenney, the Unit has filed a 14 count criminal complaint against Rhonda Wilder. The complaint charges Wilder violated the Fraudulent Insurance Act, as well as the statutes which prohibit forgery and making false information in connection with the sale of hundreds of thousands of dollars worth of annuities. It should be remembered that the charges are accusations and that the defendant is presumed innocent unless proven guilty.

"I applaud the cooperation and leadership of Insurance Commissioner Sandy Praeger and Attorney General Phill Kline in fighting insurance fraud. Together, we will make a real difference in reducing financial abuse of Kansans," Kenney said.

The Insurance Fraud Unit is currently investigating allegations of insurance crimes in seven counties. Some estimates show insurance fraud costs every family in America more than \$1,000 per year. The sale of phony insurance and the reporting of false claims are crimes.

Anyone who suspects that an insurance crime has been committed is encouraged to call the Kansas Insurance Department’s Consumer Hotline at 1-800-432-2484.

Kansas consumers can help fight fraud by following these tips:

- Make sure your insurance company and agent are licensed. Call the Kansas Insurance Department, if you have *any* questions or concerns.
- Call the police if you’re in a car accident. Get the licenses and information of all drivers and names of all passengers. If possible, keep a disposable camera, pen and paper in your car to record accident damage and other details.
- Read your policy closely, and pay only for coverage that you ordered.
- Be wary if the price of coverage seems way too low, or is sold by telephone or door-to-door.
- Always write your premium check to your insurer, not the agent. And never sign a blank claim form.

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