



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger

COMMISSIONER OF INSURANCE

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Commissioner Sandy Praeger Applauds Committee Action on Anti-Fraud Legislation *ChoicePoint Incident Affirms Need For Bill*

TOPEKA, KS – Today, the Senate Committee on Financial Institutions and Insurance passed Insurance Commissioner Sandy Praeger’s anti-fraud legislation. The bill now moves to the floor of the Senate for full debate. The recent disclosure by ChoicePoint, one of the nation’s largest commercial data collection companies, that vital personal information of thousands of Americans may have been breached through a network of bogus companies further highlights the importance of SB 207. It has been estimated that approximately 1600 Kansans may have been affected by the ChoicePoint incident.

“Passage of this legislation would give the Kansas Insurance Department the ability to act quickly and with greater authority upon learning of any fraudulent activity,” said Praeger. “Should an incident similar to ChoicePoint occur again, this bill would help us better protect Kansans.”

Senate Bill 207 would help the insurance department more effectively deal with the ever growing problem of insurance fraud by mandating the reporting of suspected insurance fraud to the insurance department by any individual having knowledge of such actions. The legislation would also require each insurer to have an anti-fraud plan in place.

Fraudulent insurance incidents are occurring in every line of insurance, and costs consumers billions per year in unpaid claims. According to the National Insurance Crime Bureau, it is estimated that insurance fraud costs Americans about \$30 billion each year which translates into \$200 - \$300 in higher insurance premiums for the average household.

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About the Kansas Insurance Department

Headquartered in Topeka, Kansas, the Kansas Insurance Department regulates and monitors the activities of 23,000 resident agents, 42,000 non-resident agents and 1684 insurance companies licensed to do business in the state of Kansas. The department’s overriding objective is to protect consumers, and help maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. For more information, visit the Kansas Insurance Department on the Web at www.ksinsurance.org.