NEWS RELEASE

CISRO Urges Consumers to Stay One Step Ahead of Insurance Fraud

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TORONTO – As Fraud Prevention Month begins this March, the Canadian Insurance Services Regulatory Organizations (CISRO) encourages consumers to take proactive steps to recognize, avoid and report fraud, particularly those targeting the insurance sector.

Insurance fraud is a serious crime that evolves continually, leading to financial loss, higher premiums, and legal issues. Fraud not only harms those directly involved, but it could also leave you unprotected when you most need coverage.

By staying informed, recognizing warning signs, and working exclusively with licensed insurance brokers or agents, consumers can protect their financial security and minimize the risk of falling victim to fraudulent schemes.

“Fraudsters often offer deals that seem too good to be true, especially in the insurance industry,” says Patrick Ballantyne, CISRO Chair. “A quick way to help protect yourself? Always check that your broker or agent is licensed. It is a simple and important step that ensures they meet professional standards and have passed necessary background checks. This will give you peace of mind and added security.”

Scammers often pose as fake agents or representatives of legitimate companies. Refer to the website of your provincial regulatory body to verify your insurance professional is licensed. A list of provincial regulators is available on CISRO-OCRA.com.

Be cautious and consider getting a second opinion if you encounter any of these red flags:

- Unsolicited offers via text, social media, or non-business email
- Requests for e-transfer payments
- Poor spelling or grammar in communications and documents
- Inability to answer questions in detail
- Refusal to provide formal documentation

Here are some tips for safeguarding yourself when shopping for insurance:

- Understand your policy. Fraud often exploits gaps in knowledge or misunderstandings of terms and conditions.

- Watch out for anyone pressuring you for quick settlements or rushing the claims process. Fraudulent claims may involve inflated damage estimates or unnecessary repairs.
- Protect your personal and financial information. Never share sensitive details unless you are certain of the recipient's identity. Fraudsters commonly use stolen personal data to make fraudulent claims.

If you suspect insurance fraud, report it to your insurance provider immediately. Most insurers have dedicated fraud hotlines, and regulatory bodies allow you to file reports of suspicious activity.

By staying informed, cautious, and proactive, you can significantly reduce your risk of falling victim to insurance fraud. Take time to research, ask questions, and protect your personal information.

About CISRO

The Canadian Insurance Services Regulatory Organizations is a forum of Canadian regulatory authorities who are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries. CISRO members collaborate on initiatives that support a consistent approach to consumer protection through the regulation of insurance intermediaries.

A complete list of CISRO member organizations can be found at www.cisro-ocra.com/.

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