



LOUISIANA
DEPARTMENT OF
INSURANCE



It costs us all... Insurance Fraud

Tim Temple
Commissioner of Insurance



Insurance fraud is a crime.

Insurance fraud is the willful abuse of an insurance policy for some kind of financial gain. Insurance fraud is a felony that carries penalties which include fines, restitution, community service and jail time.

While some may view insurance fraud as “victimless,” it hurts all Louisiana citizens. Insurance fraud causes higher premiums, requires authorities to spend more time investigating fraudulent activity, and prevents support from reaching those who truly need it.



Types of insurance fraud

Fraud can be committed by a wide range of individuals in a wide range of scenarios across all insurance lines.

HARD FRAUD is a dedicated criminal effort to defraud insurance companies by staging accidents, committing arson, or otherwise fabricating false information to deceive an insurance company. It's less common than soft fraud.

SOFT FRAUD includes things such as inflating damage claims to cover the deductible and submitting inaccurate information to insurers. Soft fraud is just as bad as hard fraud and it carries the same stiff penalties.

Insurance fraud hurts everyone.

Insurance is a vital safeguard and a contract founded on trust. When homes are destroyed, serious illness encountered or accidents happen, we trust our insurance companies to be there for us. Insurance fraud undermines that trust and hurts those that are legitimately insured.

According to the Coalition Against Insurance Fraud, the cost of insurance fraud is estimated at more than \$308 billion per year. That equals an average cost of \$1,000 a year in increased premiums per person.

REPORTING INSURANCE FRAUD

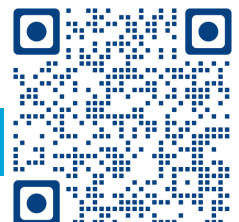
If you contact your insurance company about a complaint and do not receive a satisfactory response, you can contact the Louisiana Department of Insurance (LDI). The LDI will determine if there is a possibility of fraud and refer it to the Office of Insurance Fraud if appropriate.

If you are suspicious or aware of insurance fraud in your area, please contact the LDI Office of Insurance Fraud at 225-342-4956.



REPORTING FRAUD: Contact us or use the app:

1-800-259-5300 • public@ldi.la.gov • Scan QR code for **LDIConnect App**



This public document is produced by the Louisiana Department of Insurance and is available online.

Rev. 06/2025