

Arkansas Insurance Department

NEWS RELEASE

*Allen Kerr
Insurance Commissioner*



FOR IMMEDIATE RELEASE

March 26, 2019

CONTACT: Kenneth Ryan James (ryan.james@arkansas.gov; 501-371-2622)

CONSUMER ALERT: Fake Auto Insurance

Don't fall victim to fake agents selling policies at car dealerships

LITTLE ROCK – Arkansas Insurance Commissioner Allen Kerr today released the following alert to Arkansas consumers regarding individuals posing as car insurance agents to sell fraudulent policies at car dealerships:

“AID’s Criminal Investigation Division has received complaints from Progressive Insurance about people posing as Progressive agents and ‘selling’ auto policies to consumers looking to purchase a vehicle from a dealership. Arkansans should be wary of insurance “agents” selling cut-rate plans at a car dealership in order to show proof of insurance.”

Progressive Insurance referred 240 initial cases of alleged fraudulent insurance being sold to AID for investigation. The company alleges that individuals frequented area car dealerships representing themselves as Progressive agents and offering their services to assist would be car-buyers in acquiring insurance online.

Policies were purportedly “purchased” by paying cash to the individuals at the car lot. The fake agents would then go online to purchase a Progressive policy using a checking account. The individuals would then claim the transaction as fraudulent, leading to a return of the purchase and rescission of the auto policy.

The Arkansas Insurance Department encourages consumers who may have been victims of the fake insurance agents to contact the Criminal Investigations Division at **866-660-0888**.

Commissioner Kerr reminds Arkansans that people who sell or are in possession of a false, fake, or counterfeit insurance policies or insurance identification care may be charged with committing a Fraudulent Insurance Act, which is a Class D Felony that carries a maximum penalty of six years in prison and a \$10,000 fine.

For more information on the Arkansas Insurance Department, please visit <http://insurance.arkansas.gov>, follow us on Twitter at <http://twitter.com/ARInsuranceDept> and Facebook at <http://www.facebook.com/ArkansasInsuranceDepartment>.