

# PRESS RELEASE

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## For Immediate Release

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Subject: Insurance Commissioner and Attorney General Announce Conviction For Insurance Fraud

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Attorney General Kelly A. Ayotte and Insurance Commissioner Roger A. Seigny announced today the conviction of Kim Falle for the crime of Insurance Fraud, relative to an automobile insurance claim.

Falle, age 42, of Hampstead, New Hampshire pled guilty to one count of Insurance Fraud, under RSA 638:20, in the Cheshire County Superior Court. Falle was sentenced to serve six months in the House of Corrections and ordered to pay a \$4000 fine. The House of Corrections sentence and \$2000 of the fine were suspended for four years, conditioned upon good behavior, restitution in the amount of \$4089.33 to Safety Insurance and the payment of the balance of the fine.

Insurance Commissioner Seigny said, “My department will continue to work with our law enforcement partners to detect, uncover and prosecute insurance fraud. Insurance fraud costs Americans billions of dollars every year.” Attorney General Ayotte said, “The Department of Justice will continue to aggressively investigate, in conjunction with the Insurance Department, and prosecute those who commit insurance fraud. Insurance fraud is not a victimless crime--all insurance consumers are victims when their rates are driven up by the fraudulent conduct of others.”

The charges stemmed from an automobile accident involving Falle’s truck. The truck was insured on an automobile insurance policy with Peerless Insurance Company

("Peerless"). Falle had informed her insurance agent that her husband did not drive either one of her vehicles and Falle was aware that Peerless would not cover any accidents occurring with her husband driving because his license was suspended.

Subsequently, Falle's truck was involved in a hit and run accident outside a restaurant in Danvers, Massachusetts. At the time, a witness observed an intoxicated male getting into the truck; the witness was unsuccessful in stopping the male from leaving. As he pulled out of his parking spot, the driver struck and damaged another vehicle and then left the scene. About an hour later, a police officer found Falle's husband driving the truck. Falle's husband appeared intoxicated at the time.

The owner of the other vehicle made a claim to his insurance company, Safety Insurance. Safety Insurance then made a subrogation claim under Falle's policy with Peerless. On October 23, 2006, Falle told Peerless that she had been driving the truck at the time of the accident. Falle knew that her statement to Peerless was false, incomplete or misleading and that this information was material to a claim for payment or other benefit.

The case was investigated for Peerless by Roger Allard, a senior investigator for the carrier's Special Investigations Unit. Peerless is based out of Keene, NH.

The case was referred by Peerless to the Insurance Department's Fraud Unit, as required under RSA 417:28. Pursuant to RSA 417:23, the Fraud Unit was formed to investigate insurance fraud or other insurance-related criminal activity. Subsequent to the referral, the Attorney General's Office and the Fraud Unit conducted a joint investigation that led to this conviction.

Falle was convicted of a class A felony, which carries a maximum penalty of 7 ½ to 15 years incarceration and a \$4,000 fine.

Insurance fraud is estimated to cost Americans at least \$80 billion a year, which averages out to nearly \$950 for each family, according to the Coalition Against Insurance Fraud.

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