



COMMUNICATIONS ALERT #254

To: MEMBER COMPANY DESIGNATED REPRESENTATIVE
RE: Fraudulent Phone Calls
DATE: November 13, 2008

Insurance Bureau of Canada (IBC) has received reports from a number of industry sources concerning fraudulent telephone calls being made to policyholders.

The callers typically claim to be from the policyholder's insurance company and demand the immediate payment of the full term premium or an outstanding amount on the client's policy, via credit card. The caller threatens to cancel the customer's policy if payment is not received.

IBC recommends that industry representatives warn policyholders that this fraud is occurring, and provide them with recommendations about how to avoid being defrauded. In addition, IBC will issue a news release to the media in order to warn consumers about this threat.

Please direct information and inquiries regarding this Communications Alert to:

Rick Dubin
Vice-President, Investigative Services
Insurance Bureau of Canada
Tel: 416-445-5912, ext. 2486

WARNING:

Members are advised that they must not base any of their actions solely on the information contained in this document. This information should be treated as a "red flag" only. Instead, they should conduct their own investigations, come to their own conclusion, and make their individual company decision before acting.