



NEWS RELEASE

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OXENDINE: CHATTANOOGA AGENT ALLEGEDLY SKIMS \$2.6 MILLION IN UNEARNED COMMISSIONS

Atlanta – Insurance Commissioner John W. Oxendine said a Chattanooga man has been charged with insurance fraud, theft by taking and first-degree forgery for allegedly adding commissions to policies when he claimed to policyholders that the coverage was being sold on a net basis – with a set fee, but without a commission.

Warrants were issued today for Edward Prater, 61. Oxendine said Prater was not a licensed insurance agent in Georgia, but through his agency sold the policies with improper commissions in the state.

“Our investigation reveals that this suspect received \$2.6 million in commissions he obtained by altering documents to deceive clients about their premium payments,” Oxendine said.

In 1996 Prater co-founded the U.S. Insurance Group agency he worked for, headquartered at 736 Market Street, Chattanooga. The agency specializes in transportation-related coverages. The alleged fraud has been going on since 2003, Oxendine said.

“There may be other victims of this agent out there,” Oxendine said. “We’d like to hear from anyone who has done business with Prater and who has reason to believe they paid too much.”

Oxendine said policyholders with questions could contact his office at 404-656-2070.

Prater earned the commissions primarily on group auto and workers comp policies.

Insurance fraud is a felony with a penalty of two to 10 years in prison and/or a fine of up to \$10,000.

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