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ILLUSORY COVERAGE: CALIFORNIA'S INSURANCE QUI TAM

Brian Kabateck and Jon Atabek wrote an article that was published in February 11, 2011, Los Angeles Daily Journal entitled, "Illusory Coverage: California's Insurance Qui Tam." The article focuses on qui tam provisions that are designed to root out fraud. Those provisions, in California Insurance Code Section 1871, reward whistleblowers for exposing fraud and abuse.

"But the California appellate courts, despite the pleas of the insurance commission and the consumer bar, put a kibosh on that notion," according to Kabateck and Atabek. "In *State of California ex rel. Nee v. Unumprovident Corp.* (2006) 140 Cal.App.4th 442, and again in *State Ex Rel Metz v. Farmers Group Inc.* (2007) 156 Cal. App. 4th 1063, the courts held that Section 1871 was not intended to protect insureds."