

MAINE STATE LEGISLATURE

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STATE OF MAINE
 DEPARTMENT OF PROFESSIONAL
 AND FINANCIAL REGULATION
 BUREAU OF INSURANCE
 34 STATE HOUSE STATION
 AUGUSTA, MAINE
 04333-0034

ANGUS S. KING, JR.
 GOVERNOR

ALESSANDRO A. IUPPA
 SUPERINTENDENT

July 27, 2000

Senator Lloyd P. LaFountain III
 # 3 State House Station
 Augusta, ME 04333

Representative Jane W. Saxl
 # 2 State House Station
 Augusta, ME 04333

Re: 1999 Insurance Fraud Report

Dear Senator LaFountain, Representative Jane Saxl:

Pursuant to Public Law 1997 Chapter 675, this letter constitutes the Bureau's annual report on Insurance Fraud to the Joint Standing Committee on Banking and Insurance.

1999 was the first year insurers were required to collect this type of information; therefore, some companies had to modify systems to collect all the information required by PL 675. Consequently, insurers were required to respond to only a limited number of questions for the 1999 reporting year (see questions 25 through 28 on attached report form). Reporting year 2000 will require responses to all questions.

A total of 459 insurance companies submitted annual fraud reports in accordance with Title 24-A M.S.R.A. §2186 (4)(A). Of those reports, a total of fifty-one (51) companies (or group of companies) reported the following information regarding fraudulent insurance acts:

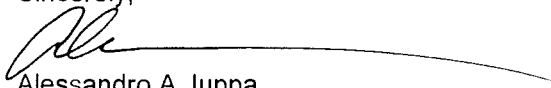
By line of business:

Auto	262
Workers' Comp	472
General Liability	15
Life	46
Health	72
Marine	15
Property	89
Other	<u>24</u>
Total	995

Amount of money not paid on
 suspected fraudulent cases: \$8,985,367

If you have any questions concerning this report, please do not hesitate to contact me.

Sincerely,


 Alessandro A. Iuppa
 Superintendent

Cc: Office of the Governor
 Katy Longley



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OFFICES LOCATED AT: 124 NORTHERN AVE., GARDINER, MAINE 04345

**State of Maine
Bureau of Insurance
Transmittal Form**

Maine Fraud and Abuse Annual Report

For Year Ending December 31, 1999

Due March 1

ALTERNATIVE/CONSOLIDATED REPORTING BY INSURER GROUP
In the alternative to individual insurer reporting, insurers may elect to report on a consolidated group basis.

Group Name:

NAIC #s of reporting insurers:

Names of Insurers Reporting on a consolidated basis:

Company Contact Person:

Telephone #

Company Name:

NAIC #:

Company Contact Person:

Telephone #

Number of cases by category:

Claimant May Have:

1. Faked property damage -
2. Inflated financial loss -
3. Faked/exaggerated injury -
4. Staged accident/injury -
5. Been known to file suspect claims, including faking, exaggerating, or extending total or partial disability
6. Other

Legal Provider May Have:

7. Hired or paid cappers/chasers to recruit clients
8. Charged inconsistent with services provided
9. Other

Medical Provider May Have:

10. Provided an inaccurate/incomplete history
11. Billed for services not provided
12. Upcoding or billing for excessive treatments
13. Unbundling
14. Received compensation for referral to medical or legal providers
15. Hired or paid cappers/chasers to recruit clients
16. Fabricated services
17. Provided an inaccurate/incomplete history
18. Operated without a license
19. Other

Other Person or Entity May Have:

20. Received/paid compensation for referral
 21. Fabricated services
 22. Charged inconsistent with services provided
 23. Provided an inaccurate/incomplete history, or submitted false or inaccurate information to obtain an insurance policy or to reduce an insurance premium
 24. Other
25. Total number of suspected fraud claims by line of business:
- Auto -
 - Worker Comp -
 - General Liability -
 - Life -
 - Health (including Medicare/Medicaid) -
 - Marine -
 - Property -
 - Other -

26. Total number of suspected fraud claims by type of insurance:
Personal -
Commercial -

27. Number of cases reported/referred to law enforcement agency?
County Attorney's Office
U.S. Attorney's Office
Other Law Enforcement
Workers' Compensation Board Abuse and Fraud Unit
NICB
Other, including U.S. Postal Authorities

28. Amount of money not paid on suspected fraudulent cases:

Please complete report on an annual basis and return to:

**State of Maine Bureau of Insurance
34 State House Station
Augusta ME 04333**

Electronic reporting is also acceptable.