

MAINE STATE LEGISLATURE

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DEPARTMENT OF

**Professional &
Financial Regulation**

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

Annual Report of Insurance Fraud and Abuse for 2020

Prepared by the Maine Bureau of Insurance
June 2021

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Annual Report of Insurance Fraud and Abuse for 2020

The data contained in this report is based upon annual survey information which insurers are required to report to the Bureau of Insurance pursuant to 24-A M.R.S.A. §2186(4)(A)(B) and Maine Insurance Rule Chapter 920. The report contains information on:

- *the number of suspected fraudulent cases and claims, by line of insurance*
- *the amounts paid and the amounts denied for those cases and claims*
- *the number of suspected fraudulent acts reported to or referred to law enforcement and other agencies.*

Number of Suspected Fraudulent Cases and Claims Reported by Line of Business

Table 1 shows the number of suspected fraudulent cases and claims, for 2020, reported by line of business, along with the amounts paid and denied for those cases and claims.

Because one case may involve more than one fraudulent claim, the number of claims may not equal the number of cases of suspected fraudulent activity.

The highest number of suspected fraudulent cases were reported for Auto, followed by Health, then Workers' Compensation.

When looking at the percentage of amounts denied to the total of amounts paid and denied, four lines of business each had more than 10 percent of its suspected fraudulent claim amounts denied: Health (76%), Life (65%), Homeowners (17%), and Automobile (16%).

Table 1: Number of Suspected Fraudulent Cases and Claims Reported by Line of Business					
Line of Business	Number of Cases	Number of Claims	Amounts Paid	Amounts Denied	Total Amounts Paid and Denied
Automobile	1,290	1,962	\$8,904,185	\$1,756,401	\$10,660,586
Personal	1,257	1,441	\$7,560,189	\$1,566,315	\$9,126,504
Commercial	33	521	\$1,343,996	\$190,086	\$1,534,082
General Liability	23	206	\$1,232,456	\$108,430	\$1,340,886
Health	618	12,655	\$2,452,579	\$7,825,671	\$10,278,250
Homeowners	94	150	\$3,600,004	\$724,722	\$4,324,726
Life	49	54	\$1,355,187	\$2,502,765	\$3,857,952
Wet Marine	1	20	\$78,210	\$6,098	\$84,308
Other Property Lines	74	162	\$6,996,275	\$373,649	\$7,369,924
Personal	55	83	\$5,188,985	\$300,573	\$5,489,558
Commercial	19	79	\$1,807,290	\$73,076	\$1,880,366
Workers' Compensation	248	1,510	\$26,080,369	\$2,076,271	\$28,156,640
All Other Lines	35	27	\$707,040	\$77,328	\$784,368
Personal	15	10	\$230,342	\$54,120	\$284,462
Commercial	20	17	\$476,698	\$23,208	\$499,906
Totals	2,432	16,746	\$51,406,305	\$15,451,335	\$66,857,640

Note: Some companies reported cases but did not report claims, and some reported claims but did not report cases.

Number of Suspected Fraudulent Insurance Acts Reported/Referred to Law Enforcement and Other Agencies

In 2020, a total of 271 suspected fraudulent acts were reported or referred to law enforcement and other agencies. This is a slightly more than 6% decrease from the 288 reported in 2019.

The highest number of referrals were made to the National Insurance Crime Bureau, with 156.

There were 96 referrals made to “Other Agencies.” Of the referrals to Other Agencies, 51 were made to the Maine Bureau of Insurance, and 6 were made to the National Association of Insurance Commissioners (NAIC).

Table 2: Number of Suspected Fraudulent Insurance Acts Reported/Referred to Law Enforcement and Other Agencies	
Agency	Number of Referrals
County/District Attorney's Office	2
Local Law Enforcement	2
National Insurance Crime Bureau	156
State Fire Marshal's Office	0
U.S. Attorney's Office	14
Workers' Compensation Board Fraud & Abuse Unit	1
Other Agencies	96
Totals	271