

# 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 2021**

Prepared by the Maine Bureau of Insurance  
June 2022

Janet T. Mills  
Governor

Timothy N. Schott  
Acting Superintendent

Anne L. Head  
Commissioner

## **Annual Report of Insurance Fraud and Abuse for 2021**

*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 2021, 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, three (3) lines of business each had more than 10 percent of its suspected fraudulent claim amounts denied: Auto (24%), General Liability (33%), Health (67%).

<b>Table 1: Number of Suspected Fraudulent Cases and Claims Reported by Line of Business</b>					
Line of Business	Number of Cases	Number of Claims	Amounts Paid	Amounts Denied	Total Amounts Paid and Denied
Automobile	988	1,693	\$7,478,215	\$2,321,765	\$9,799,980
Personal	958	1,395	\$6,809,367	\$2,221,725	\$9,031,093
Commercial	30	298	\$668,847	\$100,040	\$768,887
General Liability	26	66	\$289,530	\$143,124	\$432,654
Health	439	97,548	\$3,772,626	\$7,735,480	\$11,508,106
Homeowners	51	153	\$8,911,066	\$899,889	\$9,810,955
Life	35	74	\$3,812,142	\$101,537	\$3,913,679
Other Property Lines	35	144	\$6,785,469	\$161,515	\$6,946,984
Personal	19	106	\$4,913,309	\$72,245	\$4,985,554
Commercial	16	38	\$1,872,160	\$89,270	\$1,961,430
Wet Marine	0	6	\$8,414	\$0	\$8,414
Workers' Compensation	221	355	\$42,434,198	\$931,500	\$43,365,698
All Other Lines	25	36	\$258,887	\$6,777	\$265,664
Personal	17	26	\$111,141	\$6,777	\$117,918
Commercial	8	10	\$147,746	\$0	\$147,746
<b>Totals</b>	<b>1,820</b>	<b>100,075</b>	<b>\$73,750,547</b>	<b>\$12,301,587</b>	<b>\$86,052,134</b>

**NOTES:**

1. Some companies reported cases but did not report claims, and some reported claims but did not report cases.
2. The paid and denied amounts displayed for each line of business may include payments and denials beyond those associated with the cases and claims listed for the line of business. This occurs when cases and claims that were reported in prior years were not paid or denied until this reporting period.

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

In 2021, a total of 281 suspected fraudulent acts were reported or referred to law enforcement and other agencies; an increase of just under 4% compared to the 271 reported in 2020.

The highest number of referrals were made to the National Insurance Crime Bureau, with 147.

There were 120 referrals made to “Other Agencies.” Of the referrals to Other Agencies, 55 were made to the Maine Bureau of Insurance, and 4 were made to the National Association of Insurance Commissioners (NAIC).

<b>Table 2: Number of Suspected Fraudulent Insurance Acts Reported/Referred to Law Enforcement and Other Agencies</b>	
<b>Agency</b>	<b>Number of Referrals</b>
County/District Attorney's Office	1
Local Law Enforcement	2
National Insurance Crime Bureau	147
State Fire Marshal's Office	3
U.S. Attorney's Office	5
Workers' Compensation Board Fraud & Abuse Unit	3
Other Agencies	120
<b>Totals</b>	<b>281</b>