

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 2022

Prepared by the Maine Bureau of Insurance
June 2023

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Annual Report of Insurance Fraud and Abuse for 2022

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 2022, 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 Workers' Compensation, then Health.

When looking at the percentage of amounts denied to the total of amounts paid and denied, three lines of business each had more than 10 percent of its suspected fraudulent claim amounts denied: Health (89%), General Liability (22%), and Auto (12%). Two insurers reported and verified denying payment on nearly all their suspected fraudulent cases or claims.

Line of Business	Number of Cases	Number of Claims	Amounts Paid	Amounts Denied	Total Amounts Paid and Denied
Automobile	1,067	1,511	\$9,227,271	\$1,233,601	\$10,460,872
Personal	1,039	1,486	\$9,044,101	\$1,175,097	\$10,219,198
Commercial	28	25	\$183,170	\$58,504	\$241,674
General Liability	23	41	\$785,366	\$217,913	\$1,003,279
Health	430	86,980	\$2,614,708	\$20,829,216	\$23,443,925
Homeowners	113	225	\$11,883,015	\$791,092	\$12,674,107
Life	57	123	\$3,543,262	\$37,000	\$3,580,262
Other Property Lines	52	133	\$2,527,824	\$287,198	\$2,815,022
Personal	32	89	\$1,572,138	\$239,148	\$1,811,286
Commercial	20	44	\$955,686	\$48,050	\$1,003,736
Wet Marine	10	10	\$95,406	\$0	\$95,406
Workers' Comp	440	514	\$37,998,960	\$841,015	\$38,839,975
All Other Lines	29	28	\$1,165,934	\$1,282	\$1,167,216
Personal	9	9	\$74,109	\$1,282	\$75,391
Commercial	20	19	\$765,141	\$0	\$765,141
Totals	2,221	89,565	\$69,515,062	\$24,238,317	\$93,753,379

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 2022, a total of 323 suspected fraudulent acts were reported or referred to law enforcement and other agencies; an increase of 15% compared to the 281 reported in 2021.

The highest number of referrals were made to the National Insurance Crime Bureau, with 175.

There were 136 referrals made to “Other Agencies.” Of the referrals to Other Agencies, 73 were made to Federal Agencies, 12 were made to the Maine Bureau of Insurance, and 7 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	0
Local Law Enforcement	7
National Insurance Crime Bureau	175
State Fire Marshal's Office	2
U.S. Attorney's Office	3
Workers' Compensation Board Fraud & Abuse Unit	0
U.S. Postal Authorities	0
Other Agencies	136
Totals	323