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Annual Report of Insurance Fraud and Abuse for 2023

Prepared by the Maine Bureau of Insurance
April 2024

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Governor

Robert L. Carey
Superintendent

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Commissioner

Annual Report of Insurance Fraud and Abuse for 2023

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 2023, 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, six lines of business each had more than 10 percent of its suspected fraudulent claim amounts denied: Health (52%), Life (23%), Other Property Lines (18%), Auto (17%), Homeowners (15%), and All Other Lines (13%).

Line of Business	Number of Cases	Number of Claims	Amounts Paid	Amounts Denied	Total Amounts Paid and Denied
Automobile	917	1,346	\$8,105,004	\$1,693,971	\$9,798,976
Personal	798	1,213	\$7,316,204	\$1,321,282	\$8,637,487
Commercial	119	133	\$788,800	\$372,689	\$1,161,489
General Liability	29	52	\$3,463,197	\$161,584	\$3,624,781
Health	393	20,597	\$5,488,083	\$6,010,426	\$11,498,509
Homeowners	107	209	\$5,635,138	\$983,353	\$6,618,491
Life	48	145	\$2,114,368	\$619,512	\$2,733,880
Other Property Lines	67	179	\$4,905,946	\$1,110,978	\$6,016,924
Personal	40	54	\$1,348,775	\$410,223	\$1,758,998
Commercial	27	125	\$3,557,171	\$700,755	\$4,257,926
Wet Marine	7	7	\$1,270,912	\$0	\$1,270,912
Workers' Comp	563	563	\$45,221,416	\$1,050,908	\$46,272,324
All Other Lines	134	3,944	\$560,112	\$86,264	\$646,376
Personal	18	3,829	\$218,276	\$51,800	\$270,076
Commercial	116	115	\$341,836	\$34,464	\$376,300
Totals	2,265	27,042	\$76,764,175	\$11,716,997	\$88,481,172

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 2023, a total of 383 suspected fraudulent acts were reported or referred to law enforcement and other agencies; an increase of 36% compared to the 281 reported in 2022.

The highest number of referrals were made to the National Insurance Crime Bureau, with 225.

There were 153 referrals made to “Other Agencies.” Of the referrals to Other Agencies, 99 were made to Federal and Other State Agencies, 58 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	0
National Insurance Crime Bureau	225
State Fire Marshal's Office	0
U.S. Attorney's Office	4
Workers' Compensation Board Fraud & Abuse Unit	0
U.S. Postal Authorities	0
Other Agencies	153
Totals	382