

## Insurance Fraud Allegations Up in Ohio

Officials say the record number of insurance-fraud allegations in Ohio this year can be partly attributed to better reporting of suspected incidents and difficult economic times that push some people into illegal activity.

The Ohio Department of Insurance reports that consumers, insurers, insurance agents, police and others have lodged 4,022 allegations of fraud with the state through Dec. 7. Reports of fraud are up 10 percent compared to all of 2011, and 25 percent from 2010.

The increase partly reflects the Department of Insurance's strengthened efforts to get insurers and the public to report suspected incidents of fraud, agency spokesman Chris Brock said. Fraud also tends to increase when people face serious economic hardships, he said.

Despite the record number of allegations, it remains unclear whether or to what degree the increase in reports reflects an increase in fraudulent activity. Criminal indictments, referrals and cases opened and investigated by the Ohio Department of Insurance are not on track to significantly surpass the totals of previous years.

The most common types of fraud include false or inflated homeowner and auto claims, staged auto accidents, and bogus slip and fall accidents. Fake health care plans have spread during the economic downturn, and arson remains a problem.

Insurance fraud costs U.S. families hundreds of dollars each year in the form of increased premiums, and tens of billions of dollars are paid out annually for fake and exaggerated claims, according to industry and federal estimates.

"Insurance fraud is not a victimless crime," Nationwide Insurance spokeswoman Elizabeth Stelzer told *The Dayton Daily News*. "It is a serious issue that affects everyone."

Statistics reported by the newspaper also show the state this year has received about 2,904 allegations of misconduct by insurance agents and agencies. The state launched 1,843 administrative investigations, and about 148 insurance agents and agencies have surrendered their licenses or had them revoked because of wrongdoing.

Non-medical insurance fraud costs more than \$40 billion per year, and results in the average U.S. family paying \$400 to \$700 more annually in the form of higher premiums, according to the FBI. Misconduct by insurance agents and agencies also can be expensive and leaves policyholders without coverage because their premiums were diverted.

"Insurance fraud is a cost of business, and like any cost of business, it gets passed on to normal consumers in higher premiums," said James Quiggle, spokesman with the Washington-based **Coalition Against Insurance Fraud**.

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**Coalition Against  
Insurance Fraud**