

Insurance fraud costs all in S.C.

THE ISSUE: Insurance fraud

OUR OPINION: Stopping those who defraud insurance is ongoing priority

Understanding the market factors and worldly conditions that drive insurance prices is necessary. Knowing about your policies is as important for ensuring adequate coverage as it is monetary value.

So, too, is it necessary that South Carolinians understand something else about insurance: People will try to cheat insurance companies by filing false claims. They cost us all.

Each year consumers spend nearly \$1,000 per household in additional insurance premiums, taxes and the cost of goods and services as a result of insurance fraud, the **Coalition Against Insurance Fraud** has reported.

Insurance fraud is a felony in South Carolina and can result in jail time. The South Carolina Insurance Fraud Investigators, Attorney General Henry McMaster and the South Carolina Insurance News Service are continuing to fight fraud and increase public awareness of the crime.

McMaster has issued the annual insurance fraud report for 2009. His office received 834 complaints of insurance fraud, the largest number since 2003, when 844 complaints were received. The cases amounted to nearly \$7 million in insurance fraud, more than twice the \$3.3 million reported in 2008.

The Insurance Fraud Division opened 335 files from the 834 complaints received last year, adding to 238 complaints carried over from 2008. A total of 143 indicted cases were on the docket at the end of 2009.

A total of 104 convictions were secured in 2009 by the South Carolina Attorney General's Insurance Fraud Division, according to a year-end report.

Payment of \$1,342,324 in fines and restitution was ordered by the courts, with another \$86,222 ordered through civil disposition. That brings to a total of nearly \$7.4 million collected since the fraud division began prosecuting insurance fraud cases in 1995. Since that time, there have been 1,200 criminal convictions and 675 civil remedies.

By far the largest number of complaints in 2009

came from automobile insurance fraud, at 493 of the 834 total (59 percent). Personal/commercial property fraud was next most common, at 13 percent of the total, followed by workers' compensation (10 percent) and health/medical (9 percent). Cases have been reported from all over the state and the 335 files opened break down by region as follows:

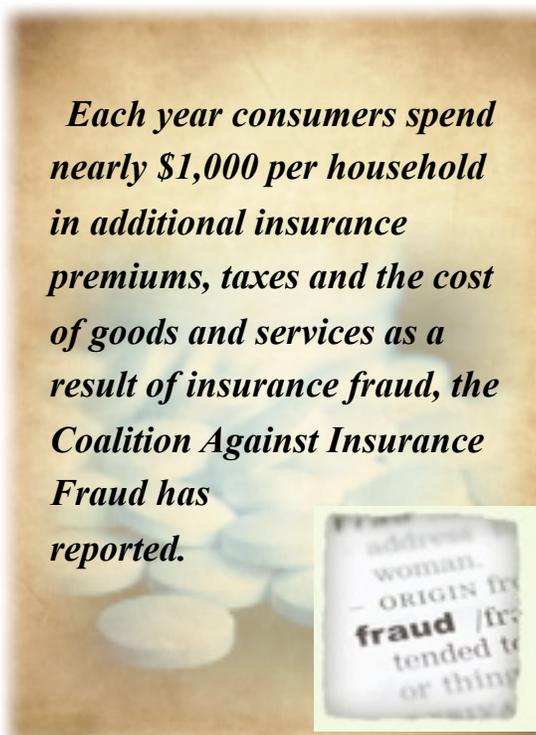
- Lowcountry: 30 percent (102)
- Piedmont : 24 percent (79)
- Midlands: 24 percent (82)
- Pee Dee: 22 percent (72)

Richland County reported the largest number of complaints made, with 88, in an amount of

\$1,628,174.

Greenville County had the largest dollar value of fraud reported, with \$2,226,496 (63 complaints).

Locally, Orangeburg County had 26 complaints, with 16 related to auto insurance fraud. Bamberg and Calhoun counties each had three, all related to auto insurance.



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