



Insurance fraud is a national problem that happens every day. It is a multi-billion dollar concern that impacts everybody. And, although a 2013 study by the Insurance Research Council found that 86% of Americans agree with the statement "insurance fraud leads to higher rates for everyone," there were still 10% of respondents who felt that "insurance fraud doesn't hurt anyone."

The truth is...Insurance Fraud costs YOU and we all end up paying more because of fraud. Consider the following:

- Property/casualty insurance fraud amounts to about \$32 billion a year, according to industry estimates (III)
- Other studies indicate that 10% or more of all property/casualty insurance claims include some element of fraud (NICB)
- Fraud is the second most costly white-collar crime in America, behind tax evasion (NICB)
- Questionable insurance claims rose by 16% from 100,201 in 2011 to 116,171 in 2012 (NICB)
- The Top 5 types of questionable insurance claims were: personal automobile; homeowners personal property; workers compensation; commercial automobile and commercial/general liability claims
- In 2012 (the latest data available), California ranked first in the number of questionable insurance claims with 21,935, more than double the second highest state, Florida, which had 10,693
- Fraud costs everybody by keeping insurance costs high, requiring increased law enforcement resources and court costs; consumer prices for other goods and services also rise to cover fraudulent claims and innocent people are sometimes injured or worse by schemes designed to bilk the system
- The Insurance Industry works in collaboration with the Departments of Insurance, law enforcement and prosecutors to detect, deter, stop and where possible, prosecute those found guilty of fraud
- Everyone can help reduce the incidence of fraud by contacting law enforcement officials if fraud is suspected and by working with insurers

Sources: National Insurance Crime Bureau (NICB), Insurance Information Institute (III), Insurance Research Council, Coalition Against Insurance Fraud

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REPORT FRAUD:

California Department of Insurance 1-800-927-HELP (4357) http://www.insurance.ca.gov/0300-fraud/ LA County Workplace Fraud Hotline 1-800-544-6861 http://www.lacountyfraud.org