

# \$1,000<sup>00</sup>

That's about how much you pay every year as a result of insurance fraud. It includes higher insurance premiums, higher costs of goods and services, and higher taxes, according to the Coalition Against Insurance Fraud. Consider the following:

- **Insurance Fraud** could be a Fortune 500 company if it were a business.
- **40% of Americans** (2 out of every 5) believe it is "all right" to pad an insurance claim (getting paid for losses they have not suffered).
- **Fraud** could be as simple as misrepresenting facts on an application or inflating a claim. Or, it could be as serious as submitting claims for injuries or damage that never occurred or staging traffic accidents.
- **Americans** incur the cost for fraud in every product or service we buy—over **\$120 billion** a year.
- Most people think fraud is a victimless crime, but **YOU ARE THE VICTIM**. Insurance fraud directly affects the amount you pay in insurance premiums, goods, and services.

## INSURANCE FRAUD HOTLINE

South Carolina Attorney General Henry McMaster's Insurance Fraud Division, in conjunction with the Professional Insurance Agents of South Carolina and the South Carolina Insurance News Service, has established the Insurance Fraud Hotline, available 24 hours a day.

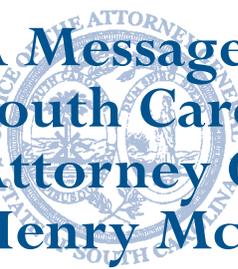
Under South Carolina law, you **MUST** report insurance fraud if you have reason to believe someone has committed this crime. If you suspect someone has committed any type of insurance fraud, call the South Carolina Insurance Fraud Hotline toll-free. You **DO NOT** have to reveal your identity.

### 1-888-95-FRAUD

Sponsored by:  
The Office of the Attorney General  
The Professional Insurance Agents  
of South Carolina  
The South Carolina  
Insurance News Service

## WHAT IS INSURANCE FRAUD?

- **Misrepresentation** of the number of miles you drive on an auto insurance application.
- **Failure to report** an accurate medical history when applying for health insurance.
- **Fake or exaggerated injury claims** to avoid work and draw workers' compensation pay outs.
- **Falsification or overstatement of injuries** in an auto accident to obtain a large settlement or damages award.
- **Staged auto accidents** that result in claims for non-existent or exaggerated injuries.
- **Fabrications of relationships** to obtain life insurance benefits.
- **Exaggerations of the amount and value** of items stolen from a home, business or automobile.



## A Message from South Carolina Attorney General Henry McMaster

As your Attorney General, I am aware of the negative impact insurance fraud has on the citizens and businesses of our state, and I am committed to aggressively investigating and prosecuting fraud cases.

South Carolina, through the General Assembly, continues to demonstrate its commitment to fighting this crime as well. In 2004, the General Assembly appropriated additional funding to aid in the fight against insurance fraud. These funds have allowed me to expand my office from one to five attorneys, each devoted to insurance fraud. This is sending a clear message that insurance fraud will not be tolerated in South Carolina!

Please join me in the fight against insurance fraud by reporting suspected cases at **1-888-95-FRAUD**.



## Interesting Facts About Insurance Fraud

- **10%** or more of property/casualty insurance claims are fraudulent.
- **Auto insurance fraud amounts to \$14 billion** in false claims a year and 1/3 of all bodily injury claims for auto accidents contain some amount of fraud. Fraud adds \$5–6 billion to auto insurance premiums every year.
- Fraud amounts to **10%** of U.S. health care expenditures.
- Many workers' compensation programs are **government-run**, meaning that **tax dollars** (your dollars) are lost to **fraudulent** or **inflated workers' compensation claims**, which may result in losses of **hundreds of millions of dollars** every year.
- Fraud is the **second most costly white-collar crime in America** (tax evasion being the most costly).

For an insurance fraud  
complaint form, link to the  
S.C. Attorney General's  
Insurance Fraud Division  
[www.scattorneygeneral.com](http://www.scattorneygeneral.com)

HELP CONTROL YOUR  
INSURANCE COSTS  
BY REPORTING  
INSURANCE FRAUD

# INSURANCE FRAUD

ARE YOUR INSURANCE  
PREMIUMS GETTING  
HIGHER AND HIGHER?

**CALL 1-888-95-FRAUD**