

Insurance fraud costs all in S.C.

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THE ISSUE: Insurance fraud

OUR OPINION: Tough times mean more attempts to cheat

It looks as though tough times have prompted more and more South Carolinians to attempt insurance fraud.

Attorney General Henry McMaster reports that during 2008, his office's Insurance Fraud Division secured 135 convictions for insurance fraud, a 44 percent increase over 2007 with 94 convictions. This number represents the most convictions by the Insurance Fraud Division since its creation in 1994.

"With the state of our economy, more and more people in South Carolina are turning toward insurance fraud. They think it's a quick fix for their personal financial situation and don't think it affects anyone else," said Edwin Constant, president of the South Carolina Insurance Fraud Investigators. "In reality it affects everyone in the state."

Last year there were 815 insurance fraud complaints received by the Insurance Fraud Division, compared to 712 complaints received in 2007. The total amount of insurance fraud reported was more than \$3.3 million, a drop from the previous year with \$8.4 million.

Nearly \$400,000 in fines and restitution were ordered paid by the courts. This brings the total to nearly \$78 million in insurance fraud reported and nearly \$6 million in monies collected since the South Carolina Attorney General's Insurance Fraud Division began prosecuting insurance fraud cases in 1995.

The greatest number of complaints were due to automobile insurance fraud (57 percent) and personal/commercial property fraud (12 percent), followed by workers' compensation fraud (11 percent) and health/medical fraud (10 percent).

Cases came from all around the state of South Carolina:

n Lowcountry – 37 percent (175)

n Pee Dee – 22 percent (106)

n Piedmont – 22 percent (103)

n Midlands – 19 percent (88)

Charleston County reported both the highest number of complaints made (29) and the highest total amount of insurance fraud reported with \$ 921,756.49 reported in insurance fraud.

Not that it should be a surprise to anyone, but it is pertinent to remind all that insurance fraud is a crime – a felony offense that can result in jail time. It also is necessary that South Carolinians understand that people trying to cheat insurance companies by filing false claims cost us all. Insurance companies are in business to make money even as they serve as protection for individuals. When the cost of doing business increases, the cost of insurance increases.

Stopping insurance crimes stands to benefit all. Reporting fraud when you see it or suspect it is necessary.

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