Fighting Insurance Fraud In Illinois: Insurers, Regulators and Consumers

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Abstract

Some insurance companies and consumers in Illinois are surveyed on the four major subjects of insurance fraud: public awareness, a scope of the current fraud problem, insurers’ fraud control programs, and state and federal governments’ efforts to fight fraud. The consumers surveyed are well aware of the seriousness of insurance fraud. The insurance company survey indicates that state and federal governments should take stronger measures to increase penalties such as tougher criminal and civil penalties. It is a social problem that draws a close public and media attention. Governments and the insurance industry need more works in order to prevent and reduce insurance fraud.

Biography

Han B. Kang, Ph.D., professor of finance and insurance at Illinois State University, received his Ph.D. from the University of Illinois at Urbana-Champaign. He joined the Illinois State faculty in 1983.
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Introduction

A catastrophe like Hurricane Andrew costs the insurance industry billions of dollars each year. Fraudulent insurance claims can cost much more than natural catastrophes. It is difficult to assess the exact amount that the insurance industry pays for fraudulent claims each year. One estimate of insurance fraud is over $100 billion per year. This figure is an interesting comparison, considering the $16 billion loss from Hurricane Andrew. Such a catastrophic loss does not occur every year, but insurance fraud has been a serious problem for years. Who is paying for all fraudulent claims? Insurance fraud pushes up claim costs, which are eventually included in policyholders’ premiums.

Fraud can occur in many types: inflating actual claims or “padding”, false information on an insurance application, false claims that never happened, and “staging” accidents. Many insurance companies outsource investigation services or make an effort to fight fraud crime themselves, while others are required to do so by the state fraud bureau. Outsourced fraud investigations have been popular among small companies because they are more cost-effective. According to Insurance Information Institute, about thirty-four states consider insurance fraud a felony rather than a misdemeanor (Ruth Gastel, 1997). Illinois is not one of the states that has an established fraud bureau.

The study by Insurance Research Council (IRC) indicates that property and casualty insurance companies spent $200 million on fighting fraud in 1992, while the expenditure increased to $650 million in 1996 (IRC, 1997). The actual amount spent could be higher since many companies do not keep a detailed record of all fraud control
spending expenditures. Most of the spending was used to investigate fraudulent claims and to fight fraud in the healthcare sector. As one might expect, certain lines of insurance are more vulnerable to fraudulent claims than other lines. Healthcare, auto insurance, and workers compensation are considered the lines most vulnerable to fraud. The 1996 study by Conning and Company estimated that the healthcare line alone represented almost eighty percent of total fraudulent claims, followed by the property and casualty lines which represented fifteen percent of fraudulent claims (Conning, 1996). Within the property and casualty sector, workers compensation represented the most fraudulent claims. Also, within the auto insurance sector, bodily injury claims accounted for most suspicious claims. The Conning report estimated that the property and casualty insurance industry saves $5 billion a year as a result of their efforts to fight fraud.

This study presents the following research questions to be investigated through a survey mechanism:

- Public awareness of the seriousness of insurance fraud.
- Cost and benefit of fraud control program.
- What are effective ways to fight fraud?
- What are the roles of state and federal governments to assist insurance industry?
- Illinois case: How are the state government and insurance companies doing to deter insurance fraud in Illinois?

**Methodology**

The study investigates the following subjects using a survey mechanism.
• Scope of the current problem. The nature and magnitude of the fraud problem are identified and discussed. The survey is designed to find the public awareness of the insurance fraud problem and ways to reduce the problem.

• Insurers’ current programs to fight fraud. This subject includes insurers’ fraud control spending, awareness of the problem, their education/training programs, fraud detection systems, and effectiveness of their efforts to fight fraud. Also, the effectiveness of Special Investigative Units (SIUs) operations will be included for a further evaluation. SIUs investigate potentially fraudulent claims and train claim personnel to identify suspicious claims.

• State program to fight fraud. The survey includes questions on the effectiveness of a state program to fight and deter fraud. State fraud bureau, mandatory state insurance fraud plan, and the future direction of a state fraud control program are topics to investigate along with many other legal issues. Without the support of government and legislature, the insurance industry alone can find combating fraud difficult. The study is focused on Illinois and examines how the insurance industry might be assisted to reduce fraud losses by a state program.

• Role of Federal government in battling fraud. The insurance Fraud Prevention Act of 1994 set for a legal basis for federal involvement. Initially, federal government was interested in controlling health care costs and fighting health insurance fraud. In any case, federal government should play a leading role in assisting the state government and insurance industry in detecting insurance fraud.

Two types of surveys were developed. The insurance industry survey has 40 questions and was sent to about 60 insurance companies operating primarily in Illinois.
The consumer survey has 21 questions and was administered to 50 undergraduate students at Illinois State University. The survey was designed to collect the following information:

(a) awareness and perception of the fraud program
(b) current expenditure to fight fraud
(c) future plan and willingness to increase their expenditure to fight fraud
(d) method by which to handle/investigate fraudulent claims
(e) training of personnel and record keeping of data
(f) current and future direction of their SIU operations
(g) centralized or decentralized SIU
(h) cost and benefit of SIU operations
(i) communication with customers on fraud control
(j) education of policyholders or the public on how fraud affects them
(k) a partnership between state/feral government and insurance industry for an effective fraud control program

Hopefully, this study can enhance the public awareness of the fraud problem and provide insurers with a deep understanding and an effective way to manage their fraud detection/prevention programs. Furthermore, the research can serve as a vehicle between state government and the insurance industry for better mutual understanding and enhanced legislative support.

**Consumer Survey Results**

The results of the survey clearly indicate that insurance fraud is a serious social and industry problem. About 80% of consumer respondents agreed that insurance fraud
is a serious social and industry problem while about 70% agreed that insurance fraud has increasingly become a problem in recent years. Consumers were well aware that insurance fraud can increase their premiums. More than 80% of respondents agreed that fraud expenses are passed to policyholders in the form of higher premiums while almost 65% of consumer respondents expressed interest in insurance fraud and agreed that fraud affected them. More than 80% of the respondents claimed to be well aware that insurance fraud affects their premiums. Overall, consumers agreed that insurance fraud affects them significantly.

The consumers surveyed seem to have mixed views on the efforts of various private and government agencies to fight fraudulent activities. Forty-six percent of the respondents agreed that insurance companies should increase expenditures to fight fraud, while about 65% of them agreed that insurance companies currently allocate adequate resources to fight fraud. However, more than 70% of them agreed that insurance companies should have a special investigation unit to investigate suspicious claims. Almost 75% of them agreed that top managers in the industry should be more involved with fighting fraud while about 70% agreed that local state and federal governments should be involved in reducing fraudulent claims. Similarly, 74% agreed that local, state, and federal governments and law enforcement agencies should put more efforts to capture those people involved in insurance fraud. These results indicates that additional steps should be taken, i.e. insurance companies and governments should work together to fight fraud.

Most survey respondents did not agree that an increased amount of deductible can deter insurance fraud. However, more than one-half of the consumers surveyed believed
that strong penalty warnings on claim forms would deter fraudulent activity, while less than 12% disagreed. Furthermore, most respondents agreed that insurance companies should assist in informing the public of the seriousness of insurance fraud, but that this information would not be effective to combat fraudulent activity. Almost 75% of consumers agreed that insurance companies should make an effort to educate the public that fraud fighting can reduce policyholders’ premiums. But, more than half of consumers believed that aggressive media campaigning against fraud was not significantly effective in preventing fraud.

Consumers agreed that insurance fraud is very costly. Two-thirds of them agreed that the insurance industry is losing between 100 million and 1 billions dollars annually as a result of insurance fraud. Almost 20% of them agreed that the actual figure is between 1 billion and 10 billions dollars. The consumers’ estimates of fraud loss were much lower than the industry respondents’ estimates of annual fraud costs.

Consumers believed that the three insurance lines most affected by fraud are automobile, homeowners’, and workers compensation. Surprisingly, they did not think that health insurance was very vulnerable to fraudulent claims. About 90% of them believed that the automobile line was one of the top three insurance lines vulnerable to fraudulent activities. About 80% of respondents named homeowners as one of three, and more than one-half of them named workers’ compensation as one of the top three lines vulnerable to fraud. About 40% of them reported having seen a television program about insurance fraud. About 60% of them believed that insurance fraud will cost the industry more this year than last year.

**Industry Survey Results**
Representatives from the insurance industry agreed that fraud is a significant issue. Ninety percent of industry respondents agreed that insurance fraud is a serious social and industry problem. The same number believed that insurance fraud has been an increasing problem in recent years. As shown in Figure 1, the combined estimate of the total amount paid for fraudulent claims in 1998 is more than $100 billion for the three insurance lines. The survey indicates that more than 90% of industry respondents agreed that a fight against insurance fraud should be funded. Eighty-five percent agreed that the cost of insurance fraud is shifted to policyholders in the form of higher premiums. However, only 26% of industry respondents thought that consumers were aware of increases in premiums due to fraudulent activities. These results imply that insurance fraud is a serious matter and needs to be studied further. Few industry people tend to think that consumers are aware of the seriousness of the problem.

The survey administered to industry people included some questions on the current status of their companies’ programs on fighting fraud and the role of governments. Results clearly indicate that more works need to be done. Only 20% of industry respondents agreed that insurance companies allocate an adequate amount of resources to combat insurance fraud. More than 70% of them agreed that industry leaders and top managers of insurance companies should be more actively involved with fighting fraud. Over 60% of industry respondents agreed that every insurance company should have a special investigative unit while only 15% disagreed. Seventy percent of them agreed that local, state, and federal governments should play a more active role in fighting fraud, and work closely with the insurance industry to reduce fraudulent claims. Most industry respondents did not think that increased deductibles would reduce
insurance fraud. These results imply that governments and private sectors should work closely together to fight fraud, according the industry survey.

The representatives also agreed that public education and media campaigning would be effective measures for fighting fraud. More than 80% of industry respondents agreed that insurance companies should make an effort to educate the public that fraud fighting can reduce policyholders’ premiums, while 70% of them agreed that an aggressive media campaign against insurance fraud would be effective. Regarding the education of industry employees and consumers, almost 80% of the industry people polled stated that their firm offers a training/education program for employees who are handling and investigating suspected and fraudulent claims. About 70% of them indicated that their firm has made efforts to educate its customers or the public on the seriousness of fraud and its impact on premiums.

The industry respondents named automobile, homeowners’, and workers compensation as the three insurance lines that are most vulnerable to fraud. Health insurance was not included among the three lines because most of the industry respondents represented property-casualty companies. About seventy percent of industry respondents named automobile as the most vulnerable line, while 50% named workers’ compensation, and 40% named homeowners insurance. Similar to the results of the consumer survey, almost 90% of them agreed that fraud will cost the industry more this year than last year. Also, the survey included a question regarding the percent of claims filed suspected as fraudulent in 1998. As shown in Figure 2, automobile insurance is on the top with about 21 percent followed by workers compensation (13.2%), health (11%), and homeowners (11%). In other words, one of five automobile claims and one of ten
claims in health and homeowners were suspected as fraudulent in 1998, according to the industry survey.

Regarding the role of government, the survey indicates that state and federal governments should play a more active role in combating insurance fraud. In other words, the insurance industry alone is not enough to lessen the fraud problem, considering a legislative support to fight fraud. About 60% of industry respondents agreed that the federal government should be involved in reducing fraudulent claims, while only about 15% disagreed. More than 90% of them agreed that the federal government should expand the National Practitioner Data Bank database and include other insurance lines to assist in detecting fraud. The industry respondents had mixed feelings about the effectiveness of the 1994 Federal Insurance Fraud Prevention Act. Almost 60% neither agree nor disagree that the Prevention Act has had an impact on reducing the number of fraudulent claims. It appears that a partnership between the insurance industry and governments is essential for fighting insurance fraud. As shown in Figure 3, eighty-four percent of industry respondents believed that federal and state governments should put more effort into public education to fight fraud, while 100% agreed that federal and state governments should take measure to increase penalties for insurance fraud.

The industry respondents expressed a moderate dissatisfaction with the Illinois state government’s role in preventing insurance fraud. Figure 4 indicates that only 6% reported being satisfied with the role of the Illinois state government and law enforcement agencies in assisting their company in detecting insurance fraud, while 58% of them neither agreed nor disagreed. Also, only less than 20% of them indicated that
they were satisfied with the role of Illinois state government and law enforcement agencies in assisting their company in preventing insurance fraud, while almost 44% of them neither agreed nor disagreed. Also, most industry people acknowledged an importance of warning labels on application and claim forms. As shown in Figure 5, the survey indicates that about 70% of industry respondents believed that the state should require that fraud penalty warnings be printed on insurance application forms, while about 80% of them agreed that fraud penalty warnings should be printed on insurance claim forms. Also, as shown in Figure 6, it is not surprising that more than two-thirds of industry respondents indicated that Illinois should establish a strong state fraud bureau.

**Combined results**

The survey results clearly indicate that insurance fraud is a serious social and industry problem. As shown in Figure 7, more than 75% of consumer respondents and 90% of industry respondents agree that insurance fraud is a serious social and industry problem. Similarly, as shown in Figure 8, about 70% of consumers and 90% of industry respondents believed that insurance fraud has been increasingly becoming a problem throughout recent years.

Consumers are more aware of the insurance fraud’s effects on their premiums than the industry believes they are. Figure 9 indicates that more than 80% of consumer respondents believe that fraud expenses are passed to policyholders in the form of higher premiums, and 85% of industry respondents agree that the cost of insurance fraud is shifted to policyholders to the form of higher premiums. Interestingly, as shown in Figure 10, about one-half of industry respondents believed that consumers were not aware that fraud could increase their premiums. In other words, only one-half of industry
respondents believed that the public was well aware of insurance fraud. The survey results indicate that consumers are more knowledgeable of insurance fraud affecting their premiums than industry experts believe them to be.

There are many ways to fight insurance fraud. An increase in funding is one way to detect or prevent fraudulent claims. Consumers and industry respondents share similar views on how to fund fraud fighting. Forty-six percent of consumer respondents agreed that insurance companies should increase expenditures to fight fraud, while 40% of industry respondents affirmed that the industry was not allocating sufficient fraud fighting funds. About 65% of consumers believed that insurance companies allocated adequate resources to fight fraud. Furthermore, consumers and industry respondents agreed that top management must be committed to fighting fraudulent activities. Figure 11 shows that almost two-thirds of consumers believed that top managers in the industry should be more involved with fighting fraud while 73% of industry respondents agreed.

Likewise, consumers and industry people believed in the role of government to combat fraud. As shown in Figure 12, about 70% of consumer and industry respondents agreed that local, state, and federal governments should play a more active role in fighting fraud. Regarding public education to reduce insurance fraud, both consumer and industry groups consent that the public should be educated that fraud fighting can reduce policyholders’ premiums. As shown in Figure 13, almost 75% of consumers believed that insurance companies should make an effort to educate the public that fraud fighting can reduce policyholders’ premiums while about 85% of industry respondents agree.

Also, the survey included a question that elicited opinions of the effectiveness of media campaigning in preventing or reducing fraudulent claims. Consumer and industry
groups expressed different opinions on the issue. More than half of the consumers consented that aggressive media campaigning against fraud was not significantly effective in preventing fraud, while about 70% of industry respondents felt that the action would be effective, as shown in Figure 14. Also, Figure 15 indicates that about 70% of consumer and industry respondents agreed that insurance companies should have a special investigation unit to handle suspicious claims.

Furthermore, each respondent was asked to name the three insurance lines that are most vulnerable to fraudulent claims. Interestingly, both consumer and industry groups identified the same top three lines of insurance most susceptible to fraud. As shown in Figure 16, almost 90% of consumers named automobile insurance as one of the top three insurance lines vulnerable to fraudulent activity while 70% of industry respondents named auto as a top three. However, while about 70% of consumer respondents named homeowners as one of the top three, only 40% of industry respondents named it as a top three. This difference in opinion is also true for workers compensation.

**Summary and Conclusion**

The survey study identifies four major subjects to be investigated: the public awareness of insurance fraud, a scope of the current fraud problem, insurers’ fraud control programs, and state and federal government’s efforts to fight fraud. Two types of survey were developed: Consumer and Industry surveys. Both survey results indicate that insurance fraud is a serious social and industry problem. The survey respondents agree that insurance fraud has been increasingly becoming a problem in recent years. Consumers are more aware of the insurance fraud’s effect on their premiums than the industry believes they are. Also, consumers agree that top managers in the industry
should be more involved with fighting fraud. About seventy percent of the firms surveyed have a special investigative unit (SIU), and of these, fifty-seven percent have a centralized SIU system while forty-three percent have a decentralized SIU system. More than sixty percent of the firms studied a cost/benefit analysis of their fraud-fighting program, and all of them indicated that their program was cost effective. Most firms with no in-house SIUs use outsourcing investigations. About eight percent of the firms surveyed offer a training/education program for their employees who are handling and investigating suspected claims. Two thirds of them also tried to educate customers or the public on the seriousness of fraud and the impact on their premiums.

Automobile, workers compensation, and homeowners’ insurance were found to be most vulnerable to fraudulent claims. Almost sixty percent of industry respondents strongly agreed or agreed that the federal government should be more actively involved to reduce the number and magnitude of fraudulent claims. All of them indicated that federal and state governments should take stronger measures to increase the penalties for insurance fraud such as tougher criminal penalties, stronger civil penalties, and more law enforcement agencies. More than eighty percent of industry respondents were dissatisfied with the role of the Illinois state government and law enforcement agencies in terms of assisting their companies in detecting and preventing insurance fraud. In addition, more than two thirds of them strongly agreed or agreed that the state should require fraud penalty warnings printed on insurance application or claim forms. The survey seems to indicate that printing a warning on a claim form is more effective than on an application form.
Figure 16: The three insurance lines most vulnerable to fraudulent activities.
APPENDIX

Consumer Survey on Insurance Fraud

Please assess your overall perceptions of the insurance fraud problem. Use scale 1 – 5: 1 for strongly agree and 5 for strongly disagree. Use 6 for “DO NOT KNOW” or “NO OPINION”.

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<td>Strongly agree</td>
<td>Neutral</td>
<td>Strongly Disagree</td>
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1. Insurance fraud is a serious social and industry problem.
   1 2 3 4 5 6

2. Insurance fraud has been increasingly a serious problem in recent years.
   1 2 3 4 5 6

3. The cost of insurance fraud is shifted to policyholders in the form of higher premiums.
   1 2 3 4 5 6

4. I am not interested in insurance fraud. It has nothing to do with me or my insurance premiums.
   1 2 3 4 5 6

5. I am well aware of the fact that fraudulent claims can increase my insurance premiums.
   1 2 3 4 5 6

6. Insurance companies should increase their expenditures to fight insurance fraud.
   1 2 3 4 5 6

7. Insurance companies allocate adequate amount of resources to combat insurance fraud.
   1 2 3 4 5 6

8. Industry leaders and top managers of insurance companies should be more actively involved with fighting fraud.
   1 2 3 4 5 6

9. Local, state, and federal governments should play a more active role in fighting fraud and work closely with the insurance industry to reduce fraudulent claims.
   1 2 3 4 5 6

10. Local and state governments and law enforcement agencies should put more efforts to capture those people involved with fraud.
    1 2 3 4 5 6
11. The number of fraudulent claims can be reduced if strong penalty warnings are printed on insurance claim forms.

12. An increase in the amount of policy deductibles can reduce insurance fraud.

13. Insurance companies should make an effort to educate the public that fraud fighting can reduce policyholders’ premiums.

14. Aggressive media campaign against fraud is one of the effective ways to control fighting fraud.

15. Insurance company should have a special investigation unit to investigate suspicious claims.

16. How much money do you think that insurance industry is losing as a result of fraud per year? Please circle your answer.

1. Less than 100 million dollar.
2. Between 100 million and 1 billion dollar
3. Between 1 billion and 10 billion dollar
4. Between 10 billion and 100 billion dollar
5. More than 100 billion dollar

17. List three types of insurance (auto, homeowners, health, workers compensation, life, etc) that you think are most vulnerable to fraudulent claims.

______________________________
______________________________
______________________________

18. Have you seen a TV program about insurance fraud?

YES ___________ NO ___________

19. Do you think that the total cost of fraud to the insurance industry is expected to be higher this year?

YES ___________ NO ___________ Do Not Know ___________

20. Do you have any insurance policy like automobile, health, etc?

YES _______________ NO _______________

21. Can you write three ideas on how to reduce insurance fraud.
Industry Survey on Insurance Fraud

PART I: Scope of Current Problem

Please assess your overall perceptions of the insurance fraud problem. Use scale 1 – 5: 1 for strongly agree and 5 for strongly disagree. Please answer from a company-wide rather than Illinois perspective.

1. Strongly agree          2             3            4             5
   Strongly Disagree

1. Insurance fraud is a serious social and industry problem.
   1   2   3   4   5

2. Insurance fraud has been increasingly a serious problem in recent years.
   1   2   3   4   5

3. In general, it is worth spending funds and making efforts to fight insurance fraud, i.e. benefits exceed costs.
   1   2   3   4   5

4. The cost of insurance fraud is shifted to policyholders in the form of higher premiums.
   1   2   3   4   5

5. Insurance consumers are well aware of the fact that fraudulent claims can increase their premiums.
   1   2   3   4   5

6. In your opinion, insurance companies allocate adequate amount of resources to combat insurance fraud.
   1   2   3   4   5

7. Industry leaders and top managers of insurance companies should be more actively involved with fighting fraud.
   1   2   3   4   5

8. State & federal governments have provided insurance industry with an adequate legislative support to help the industry fight fraud effectively.
   1   2   3   4   5

9. Local, state, and federal governments should play a more active role in fighting fraud and work closely with the insurance industry to reduce fraudulent claims.
   1   2   3   4   5

10. An increase in policy deductibles can reduce insurance fraud.
11. The public is well aware of the seriousness of insurance fraud.

12. Insurance companies should make an effort to educate the public that fraud fighting can reduce policyholders’ premiums.

13. Aggressive media campaign against fraud is one of the effective ways to control fighting fraud.

14. Every insurance company should have a special investigation unit.

15. List three insurance lines that are most vulnerable to fraudulent claims.

______________________________
______________________________
______________________________

16. List four major types (forms) of fraud in insurance.

17. What is your best estimate that the total insurance industry paid for fraudulent claims during 1998?

$ ____________________ billion: Life

$ ____________________ billion: Health

$ ____________________ billion: Property and Casualty

18. Do you think that the total cost of fraud to the insurance industry is expected to be higher this year?

YES _________________    NO _________________

**PART II: Your Company Program**

The following questions apply to your company-wide operations rather than Illinois operations only.

19. Approximately how many full-time workers are currently on payroll in your firm?

______________________________

20. In your estimate how much was your firm’s total premiums written for all lines in 1998?
21. Does your company have a Special or Separate Investigative Unit (SIU)?

YES _______  NO _______

If yes, is it centralized _______ or decentralized _______. Go to question 22.

If no, go to question #25.

22. How many full-time employees are currently working for SIU?

_____________

23. Do you believe that your firm’s expenditure to handle and investigate fraudulent claims should increase?

YES _______  NO _______

If yes, how much? _______ % from previous year.

24. Have your firm studied the cost/benefit analysis of your fraud-fighting program, i.e. return on investment on fighting fraud?

YES _______  NO _______

If yes, was it cost effective?

YES _______  NO _______

Go to question #27.

25. If you do not have an in-house SIU, do you use outsourcing to handle fraud investigation?

YES _______  NO _______

26. Does your company plan to establish an SIU organization in near future?

YES _______  NO _______

27. Approximately what percent of the number of claims filed was suspected as being fraudulent in 1998? Please provide your best estimates.

Life _______ %
Health _______ %
Workers Compensation _______ %
Automobile ________ %
Homeowners ________ %
All Other Properties ________ %
All Other Liabilities ________ %

28. Does your firm offer a training/education program to your employees who are working for handling and investigating suspected and fraudulent claims?

YES __________ NO __________

29. Have your firm tried to educate your customers or the public on the seriousness of fraud and the impact on their premiums?

YES __________ NO __________

PART III: Role of Government

Use scale 1 – 5: 1 for strongly agree and 5 for strongly disagree. If you have no opinion, you do not have to answer. Blank will be considered as “No Opinion” or “Don’t Know”.

30. Federal government should be more actively involved to reduce the number and magnitude of fraudulent claims.

1 2 3 4 5
Strongly agree Neutral Strongly disagree

31. National Practitioner Data Bank (NPDB) is a database that includes the names of medical providers and physicians who have involved with insurance fraud or suspended. Federal government should expand the database and include other insurance lines to assist in detecting fraud.

1 2 3 4 5

32. The 1994 Federal Insurance Fraud Prevention Act is significant enough and has had an impact on reducing the number of fraudulent claims.

1 2 3 4 5

33. Federal and state governments should put more efforts on public education to prevent insurance fraud.

1 2 3 4 5

34. Federal and state government should take stronger measures to increase the penalties for insurance fraud, i.e. tougher criminal penalties, stronger civil penalties, more law enforcement agencies, etc.

1 2 3 4 5

35. Overall, you are satisfied with the role of the Illinois state government and law enforcement agencies in terms of assisting your company in detecting insurance fraud.

1 2 3 4 5

36. Overall, you are satisfied with the role of the Illinois state government and law enforcement agencies in terms of assisting your company in preventing insurance fraud.
37. State should require fraud penalty warnings be printed on insurance application forms.

38. State should require fraud penalty warnings be printed on insurance claim forms.

39. Illinois should establish a state fraud bureau.

40. Please comment on what federal and state governments should do to help your firm combat fraud?

41. If you like to receive a copy of the survey result, please provide your e-mail address. (Optional)
References


Insurance Fraud: The Quiet Catastrophe, Conning & Company, 1996.