2024 Report
on Insurance Fraud and Abuse

Prepared by the Maine Bureau of Insurance

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Introduction

This annual report provides aggregate information on suspected fraudulent insurance activity[1] as reported by insurers in Maine for calendar years 2023 and 2024. The data contained in this report is based on responses to the Bureau of Insurance's annual survey of insurers, as required pursuant to 24-A M.R.S. § 2186(4)(A)(B) and Maine Insurance Rule Chapter 920. The report contains information on:

- the number of suspected fraudulent cases and claims, by line of insurance;
- the amounts paid and the amounts denied for those cases and claims; and
- the number of suspected fraudulent acts reported or referred to law enforcement and other agencies

Number of Suspected Fraudulent Cases and Claims Reported by Line of Business

In 2024, a total of 2,431 suspected fraudulent cases were reported or referred to law enforcement and other agencies, an increase of 7% compared to the 2,265 reported in 2023. Though instances of suspected fraudulent cases in Automobile and Homeowners insurance decreased slightly from 2023 to 2024, all other lines of business saw increases, which contributed to 2024's higher total. Other Property Lines[2] saw the highest increase of suspected fraudulent cases, rising 94% between 2023 and 2024. This large percentage change, however, is primarily attributable to several companies reporting data in this category in 2024 that did not report data in this category in 2023. All Other Lines[3] saw the second largest increase at 63% between 2023 and 2024.

The highest number of suspected fraudulent cases in 2024 was reported for Auto, followed by Workers' Compensation, and Health. When looking at the percentage of amounts denied compared to the total amounts claimed in Tables 1 and 2, five categories had more than 25% of suspected fraudulent claim amounts denied: General Liability (77%), Health (52%), Auto (35%), All Other Lines (30%), and Other Property Lines (29%).

Despite the increase in the number of fraudulent cases reported to law enforcement and other agencies, the total number of suspected fraudulent claims decreased by 27% (from 27,042 to 19,617) between 2023 and 2024. Also, during this time, the total amount denied decreased by 10%, and the total amount of payments both paid and denied associated with those claims decreased by 21%. Because a case involving a suspected fraudulent act does not always result in a claim or can involve multiple claims, the number of cases will often be different than the number of claims.

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[1] Under 24-A M.R.S. § 2186(1)(A) a "fraudulent insurance act" can include a variety of actions, including providing materially false information in an application for insurance or in a claim for benefits under an insurance policy, providing false proof of insurance, providing false information regarding the financial condition of an insurer, and transacting insurance business without proper licensure. 24-A M.R.S. §2186(4) requires insurers to report the number of fraudulent insurance acts which they "knew or reasonably believed" had occurred during the previous calendar year. This report refers to the numbers reported as "suspected fraudulent cases and claims" because the reporting includes suspected actions which might not ultimately be proven to be fraudulent.

[2] The Other Property Lines category includes lines of business such as flood insurance, commercial property insurance, and commercial and personal dwelling fire insurance.

[3] The All Other Lines category includes lines of business such as medical malpractice insurance and financial guaranty insurance.

Table 1 shows the number of suspected fraudulent cases and claims for 2024,[4] reported by line of business, along with the amounts paid and denied for those cases and claims.[5] Table 2 shows the same data for 2023.

Table 1: Number of Suspected Fraudulent Cases and Claims Reported by Line of Business, 2024						
Line of Business	Number of Cases	Number of Claims	Claims Paid	Claims Denied	Total Claims	Percentage of Amount of Claims Denied
Automobile (total)	797	1,097	$7,144,097	$3,772,675	$10,916,772	35%
Personal	697	992	$5,242,712	$2,231,646	$7,474,358	30%
Commercial	100	105	$1,901,385	$1,541,029	$3,442,414	45%
General Liability	44	57	$191,558	$633,594	$825,152	77%
Health	503	13,157	$2,094,489	$2,308,621	$4,403,110	52%
Homeowners	81	150	$5,108,067	$553,364	$5,661,431	10%
Life	65	115	$10,001,815	$72,214	$10,074,029	1%
Other Property Lines (total)	130	394	$4,016,414	$1,611,791	$5,628,205	29%
Personal	39	121	$1,542,734	$991,597	$2,534,331	39%
Commercial	91	273	$2,473,680	$620,194	$3,093,874	20%
Wet Marine	17	16	$141,129	$10,602	$151,731	7%
Workers' Comp	575	532	$28,322,205	$721,711	$29,043,916	2%
All Other Lines (total)	219	4,099	$2,154,952	$913,146	$3,068,098	30%
Personal	47	3,919	$1,543,222	$866,146	$2,409,368	36%
Commercial	172	180	$611,730	$47,000	$658,730	7%
Totals	**2,431**	**19,617**	**$59,174,726**	**$10,597,718**	**$69,772,444**	**N/A**

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[4] Some companies reported cases but did not report claims, and some reported claims but did not report cases.

[5] The paid and denied amounts displayed for each line of business may include payments and denials beyond those associated with the cases and claims listed for the line of business; this occurs when cases and claims that were reported in prior years were not paid or denied until this reporting period.

Table 2:
Number of Suspected Fraudulent Cases and Claims Reported by Line of Business, 2023

Line of Business	Number of Cases	Number of Claims	Claims Paid	Claims Denied	Total Claims	Percentage of Amount of Claims Denied
Automobile (total)	917	1,346	$8,105,004	$1,693,971	$9,798,976	17%
Personal	798	1,213	$7,316,204	$1,321,282	$8,637,487	15%
Commercial	119	133	$788,800	$372,689	$1,161,489	32%
General Liability	29	52	$3,463,197	$161,584	$3,624,781	4%
Health	393	20,597	$5,488,083	$6,010,426	$11,498,509	52%
Homeowners	107	209	$5,635,138	$983,353	$6,618,491	15%
Life	48	145	$2,114,368	$619,512	$2,733,880	23%
Other Property Lines (total)	67	179	$4,905,946	$1,110,978	$6,016,924	18%
Personal	40	54	$1,348,775	$410,223	$1,758,998	23%
Commercial	27	125	$3,557,171	$700,755	$4,257,926	16%
Wet Marine	7	7	$1,270,912	$0	$1,270,912	0%
Workers' Comp	563	563	$45,221,416	$1,050,908	$46,272,324	2%
All Other Lines (total)	134	3,944	$560,112	$86,264	$646,376	13%
Personal	18	3,829	$218,276	$51,800	$270,076	19%
Commercial	116	115	$341,836	$34,464	$376,300	9%
Totals	**2,265**	**27,042**	**$76,764,176**	**$11,716,996**	**$88,481,173**	**N/A**

Number of Suspected Fraudulent Insurance Acts Reported/Referred to Law Enforcement and Other Agencies

216 referrals were made to the National Insurance Crime Bureau (NCIB), a non-profit organization that investigates insurance fraud and provides information to state and federal regulators and insurance companies to assist with fraud investigations.

There were 156 referrals made to Other Agencies. Of the referrals to Other Agencies, 131 were made to Federal and Other State Agencies, 18 were made to the Maine Bureau of Insurance, and 7 were made to the National Association of Insurance Commissioners (NAIC).

Table 3 shows, for 2024, a total of 376 suspected fraudulent acts were reported or referred to law enforcement and other agencies, a slight decrease from the 382 reported in 2023.

Table 3: Number of Suspected Fraudulent Insurance Acts Reported/Referred to Law Enforcement and Other Agencies		
Agency	**Number of Referrals, 2023**	**Number of Referrals, 2024**
County/District Attorney's Office	0	1
Local Law Enforcement	0	1
National Insurance Crime Bureau	225	216
State Fire Marshal's Office	0	1
U.S. Attorney's Office	4	0
Workers' Compensation Board Fraud & Abuse Unit	0	0
U.S. Postal Authorities	0	1
Other Agencies	153	156
Totals	**382**	**376**