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New Study Finds Lower Acceptance of Insurance Fraud and Strong Support for Fraud-Fighting Efforts

MALVERN, PA— According to new findings from an online Insurance Research Council (IRC) public opinion study, 24 percent of Americans believe it is acceptable to increase an insurance claim by a small amount to make up for deductibles they are required to pay, lower than the 33 percent found in a 2002 telephone survey. Additionally, 18 percent believe it is acceptable to increase a claim to make up for premiums paid in previous years when they had no claims, the lowest percentage since the question was first asked in a 1981 in-home survey. Younger respondents, especially young men, were much more likely to view claim padding as acceptable. For example, among males age 18-34, 23 percent agree it is all right to increase claim amounts to make up for premiums, compared with just 5 percent of their older male counterparts and just 8 percent of females aged 18-34.

The IRC study, *Insurance Fraud: A Public View, 2013 Edition*, also found that 86 percent of Americans agree with the statement "insurance fraud leads to higher rates for everyone," while 10 percent agree that "insurance fraud doesn't hurt anyone."

"The decline in the public acceptance of fraud is encouraging," said Elizabeth Sprinkel, senior vice president of the IRC. "However, the fact remains that nearly one in four Americans are tolerant of claim padding behavior that has direct implications for claim costs and the cost of insurance for consumers. Moreover, one in ten believe that insurance fraud doesn't hurt anyone, indicating the need for continued public education."

Respondents showed strong support for fraud-fighting efforts. Two-thirds (66 percent) approved of legislation to limit attorney and medical provider access to police accident reports for the purposes of soliciting new clients or patients, a marked increase from 2002. Eight in ten were willing to participate in claim processes that could help insurers detect and prevent fraud, such as examinations under oath (85 percent) or independent medical exams (80 percent). Eighty-two percent agreed that persons who commit insurance fraud should be prosecuted to the fullest extent of the law, although the consequences favored for specific fraud activities were generally less severe than in 2002.

The 2012 results are from an online survey conducted in June 2012 among 2,005 adults countrywide. Survey results were weighted by known demographic distributions to ensure that the final results were representative of the total U.S. adult population.

For more detailed information on the methodology and findings from this study or previous IRC studies of insurance fraud attitudes, contact David Corum, at (484) 831-9046, or by e-mail at irc@TheInstitutes.org. Copies of the study are available for \$300 for an electronic version, or \$400 for a printed copy. Visit IRC's website at www.insurance-research.org for more information.

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