



NEWS RELEASE

OFFICE OF ATTORNEY GENERAL HENRY MCMASTER
STATE OF SOUTH CAROLINA

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SC Ranked First in Fighting Insurance Fraud

Attorney General McMaster Issues Annual Report To Legislature

Columbia, S.C. – Attorney General Henry McMaster announced today that South Carolina leads the nation in convictions per dollar spent fighting insurance fraud. The announcement came as McMaster issued his office's annual insurance fraud report to the General Assembly, which can be located on the web at: <http://www.scattorneygeneral.org/InsFraud03.pdf>

Insurance fraud in South Carolina is prosecuted by the Insurance Fraud Division of the Attorney General's Office and investigated by the State Law Enforcement Division.

In 2002, South Carolina spent an average of \$3,000 per insurance fraud conviction (98 convictions), the most cost effective in the nation. Delaware spent the most with \$250,000 per conviction (3). The rankings were compiled by the Coalition Against Insurance Fraud in its December 2003 report. http://www.insurancefraud.org/fraud_bureau_study.html

"This ranking is a testament to the dedication and herculean effort put forth by our prosecutors and SLED agents fighting crime in the face of crippling budget cuts," said McMaster. "Our ultimate goal is to lead the nation in fewest incidents of insurance fraud, so we still have work to do."

McMaster pointed out that 2003 budget cuts forced the closing of the Greenville office used primarily for insurance fraud and the loss of fraud prosecutors, shrinking the division to one prosecutor for most of the year. Overall, the office budget has been cut almost thirty percent (30%) in the last few years.

Highlights from the Attorney General's 2003 Insurance Fraud Report are:

- A twenty four percent increase (+24%) in statewide insurance fraud investigations opened. 354 in 2003. 270 in 2002.
- An eighteen percent increase (+18%) in statewide insurance fraud indictments. 127 in 2003. 104 in 2002.
- A twenty-eight percent increase (+28%) in insurance fraud cases pending investigation. 627 in 2003. 448 in 2002.
- A forty-nine percent increase (+49%) in insurance fraud cases currently under investigation by SLED. 622 in 2003. 312 in 2002.

The Attorney General's office received eight hundred forty-four (844) complaints of insurance fraud in 2003, totaling \$3,688,470.35. The types of fraud complaints break down as follows: Auto – 44%, Workers' Comp. – 15%, Health/Medical – 12%, Personal Property – 10%, Premium – 6%, Disability – 5%, Life – 5%, and Other 3%. The overall number of fraud complaints decreased 7% from 2002 from a total of 914.

"Whether it's staging auto thefts, accidents or filing fake workers' compensation claims, insurance fraud causes all of our premiums to rise," said McMaster. "I urge anyone with knowledge of fraud to call us right away at 1-888-95-FRAUD or visit our website." www.scattorneygeneral.com

For additional information on insurance fraud, contact: Allison Dean Wright, SC Insurance News Service at 803-252-3455.

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