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Poll: Michigan Residents Support Statewide Insurance Fraud Fighting Authority

92% of Michigan residents believe that insurance fraud is a serious or somewhat serious crime in the Great Lakes State.

(Lansing, MI) — Michigan residents overwhelmingly support a law that would create a statewide organization to provide financial resources for the investigation and prosecution of auto insurance fraud, according to opinion polling released today by the Michigan Insurance Fraud Awareness Coalition (MIFAC).

Ninety-two percent of poll respondents indicated that insurance fraud is a serious or somewhat serious crime and 70 percent say they would support a law to create a Fraud Authority to grant funds to local law enforcement and prosecutors to arrest and convict people guilty of insurance fraud.

The poll, conducted by Marketing Resource Group, found that 93 percent of respondents said insurance fraud causes everyone's insurance premiums to increase. One in six people actually know someone who has committed insurance fraud.

“Michigan residents know insurance fraud drives up the cost of insurance for them,” said Pete Kuhnmuensch of the Insurance Institute of Michigan and MIFAC. “Frankly, they are tired of insurance thieves stealing from their pocketbooks.”

It is estimated that one out of every 10 auto claims is fraudulent. “In Michigan that translates into about \$400 million annually,” Tim Lynch of the National Insurance Crime Bureau said. “Auto insurance fraud is a growing problem in Michigan. Questionable auto insurance medical claims increased 200 percent from 2009 to 2011.”

MIFAC is supporting legislation (House Bill 5701) which would create the Auto Insurance Fraud and Theft Prevention Authority to grant funding to state and local investigators and prosecutors to pursue auto insurance fraud cases. The legislation would also require insurance companies to report incidents of auto insurance fraud to the statewide authority.

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To combat insurance fraud in Michigan, insurance companies are establishing Special Investigative Units (SIU) which train insurance personnel to identify suspicious losses. However, cases identified by insurance companies are sometimes left without further action due to lack of dedicated resources by state and local law enforcement and prosecutors.

“Statistics show us auto insurance fraud is out there,” said State Rep. Pete Lund (Shelby Township), sponsor of House Bill 5701. “Now it is time to dedicate the financial resources to fight it.”

Michigan residents are encouraged to fight back against this insurance fraud by reporting it.

The insurance industry is also involved in a program that pays for information leading to the arrest and warrant of auto thieves and chop shop operators. Citizens can call the tip line at 800-242-H.E.A.T. (Help Eliminate Auto Thefts) with information on stolen cars and suspected auto theft activities. H.E.A.T. tips are rewarded with up to \$1,000 each for information that leads to the arrest and warrant of individuals suspected of auto theft, auto theft related insurance fraud and/or auto theft related identity theft. Up to \$10,000 is available for tips that result in the arrest and binding over for trial of suspected theft ring members and/or chop shop operators. In addition, H.E.A.T. provides a \$2,000 reward for the arrest and warrant of a carjacking suspect.

Through the Michigan Arson Prevention Committee, rewards up to **\$5,000** are paid to persons who provide information that leads to the arrest and/or conviction of arsonists. The number for reporting these crimes is 1-800-44-ARSON (800-442-7766).

The National Insurance Crime Bureau (NICB), a not-for-profit organization that receives support from over 1,000 property/casualty insurance companies also has investigators in Michigan. The NICB partners with insurers and law enforcement agencies to facilitate the identification, detection and prosecution of insurance criminals. Anyone who suspects insurance fraud can call NICB at 1-800-TEL-NICB. Callers are eligible for rewards.

The Michigan Insurance Fraud Awareness Coalition was formed in 2009 to raise awareness about the crime of insurance fraud. Members are: Michigan Chapter of International Association of Special Investigation Units, Insurance Institute of Michigan, National Insurance Crime Bureau, Coalition Against Insurance Fraud, Michigan Arson Prevention Committee and Michigan Association of Insurance Agents.

For tips on how to prevent insurance fraud or more about House Bill 5701, visit the Coalition’s new website, www.michiganinsurancefraud.org.

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