

# ForeCAST REPORT

Date: January 28, 2011

Regarding: **2008, 2009, 2010 Referral Reason Analysis**

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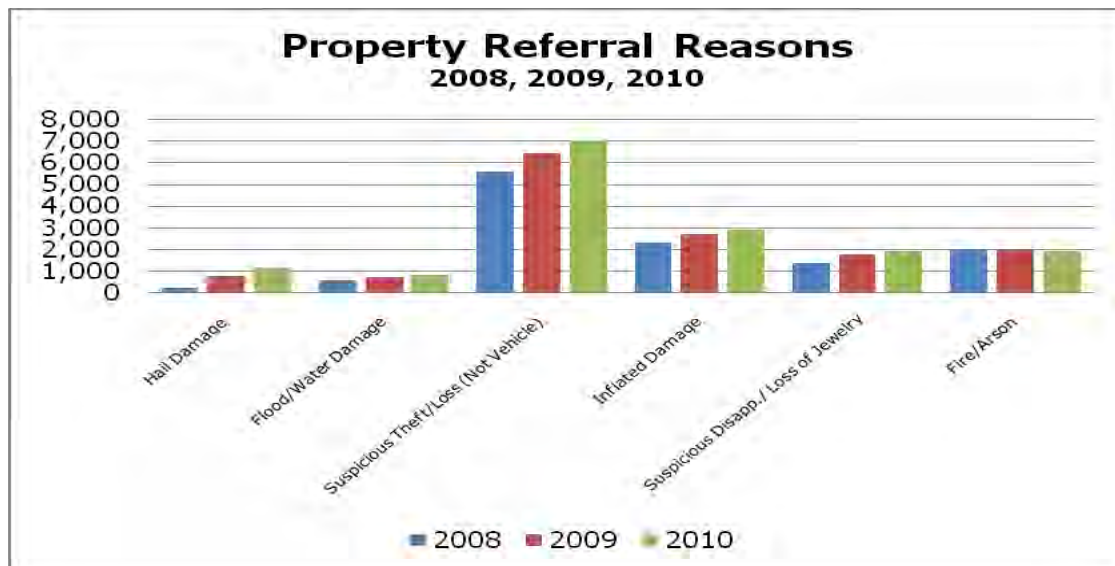
An analysis of the National Insurance Crime Bureau (NICB) 2008, 2009, and 2010 Questionable Claims (QCs) was performed to compare Miscellaneous referral categories. It should be noted that a single referred claim can contain up to seven referral reasons. Property, Casualty, Vehicle, and Miscellaneous all showed an increase in Referral Reasons overall from 2009 to 2010. There were 74,146 QCs in 2008; 84,407 in 2009; and 91,797 in 2010. The tables and charts are organized by greatest percent change.

**Data note: The Questionable Claims database is a dynamic dataset. Some claims have been voided in ISO ClaimSearch, and the NICB no longer includes non-member Questionable Claims in these Referral Reason reports.**

## 2008, 2009, 2010 Property Referral Reasons

Property Referral Reason	2008	2009	Difference	Percent Change	2009	2010	Difference	Percent Change
Hail Damage	255	764	509	200%	764	1,181	417	55%
Flood/Water Damage	587	715	128	22%	715	863	148	21%
Suspicious Theft/ Loss (Not Vehicle)	5,591	6,428	837	15%	6,428	7,034	606	9%
Inflated Damage	2,341	2,715	374	16%	2,715	2,912	197	7%
Suspicious Disappearance/ Loss of Jewelry	1,385	1,796	411	30%	1,796	1,910	114	6%
Fire/Arson	2,019	2,003	-16	-1%	2,003	1,953	-50	-2%
<b>Total Property Referral Reasons</b>	<b>12,178</b>	<b>14,421</b>	<b>2,243</b>	<b>18%</b>	<b>14,421</b>	<b>15,853</b>	<b>1,432</b>	<b>10%</b>

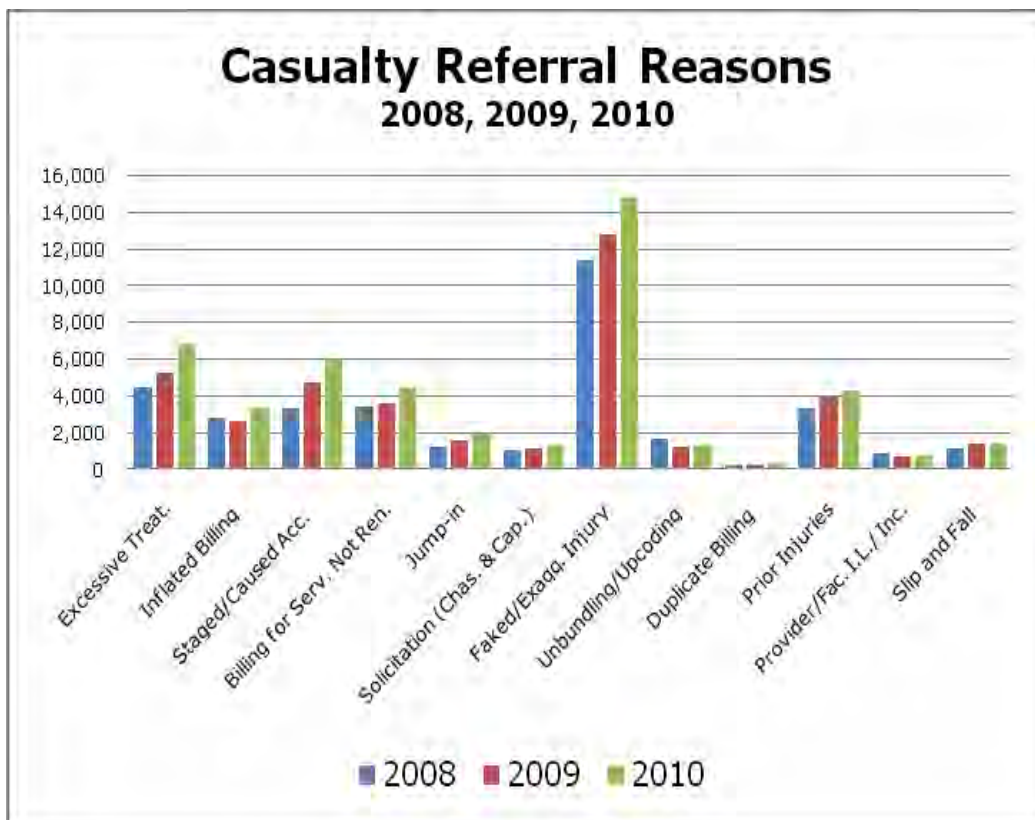
Hail Damage showed the highest percentage increase with 55% increase from 2009 to 2010. Overall, Property Referral Reasons increased



### 2008, 2009, 2010 Casualty Referral Reasons

Casualty Referral Reason	2008	2009	Difference	Percent Change	2009	2010	Difference	Percent Change
Excessive Treatment	4,494	5,276	782	17%	5,276	6,870	1,594	30%
Inflated Billing	2,786	2,588	-198	-7%	2,588	3,296	708	27%
Staged/ Caused Accident	3,295	4,738	1,443	44%	4,738	5,981	1,243	26%
Billing for Services Not Rendered	3,394	3,554	160	5%	3,554	4,429	875	25%
Jump-in	1,195	1,590	395	33%	1,590	1,898	308	19%
Solicitation (Chasers and Cappers)	1,085	1,096	11	1%	1,096	1,287	191	17%
Faked/Exaggerated Injury	11,430	12,780	1,350	12%	12,780	14,815	2,035	16%
Unbundling/ Upcoding	1,636	1,229	-407	-25%	1,229	1,349	120	10%
Duplicate Billing	288	295	7	2%	295	323	28	9%
Prior Injuries	3,359	3,910	551	16%	3,910	4,275	365	9%
Provider/Facility Improperly Licensed (IL)/ Incorporated	864	732	-132	-15%	732	797	65	9%
Slip and Fall	1,143	1,437	294	26%	1,437	1,421	-16	-1%
<b>Total Casualty Referral Reasons</b>	<b>34,969</b>	<b>39,225</b>	<b>4,256</b>	<b>12%</b>	<b>39,225</b>	<b>46,741</b>	<b>7,516</b>	<b>19%</b>

All Casualty Referral Reasons showed an increase with the exception of Slip and Fall. Excessive Treatment, Inflated Billing, and Billing for Services Not Rendered were in the top five in terms of percentage increase from 2009 to 2010, and they indicate fraudulent activity by the medical provider. Overall, Casualty Referrals showed a 19% increase from 2009 to 2010. Faked/Exaggerated Injury increased by the highest quantity from 2009 to 2010.



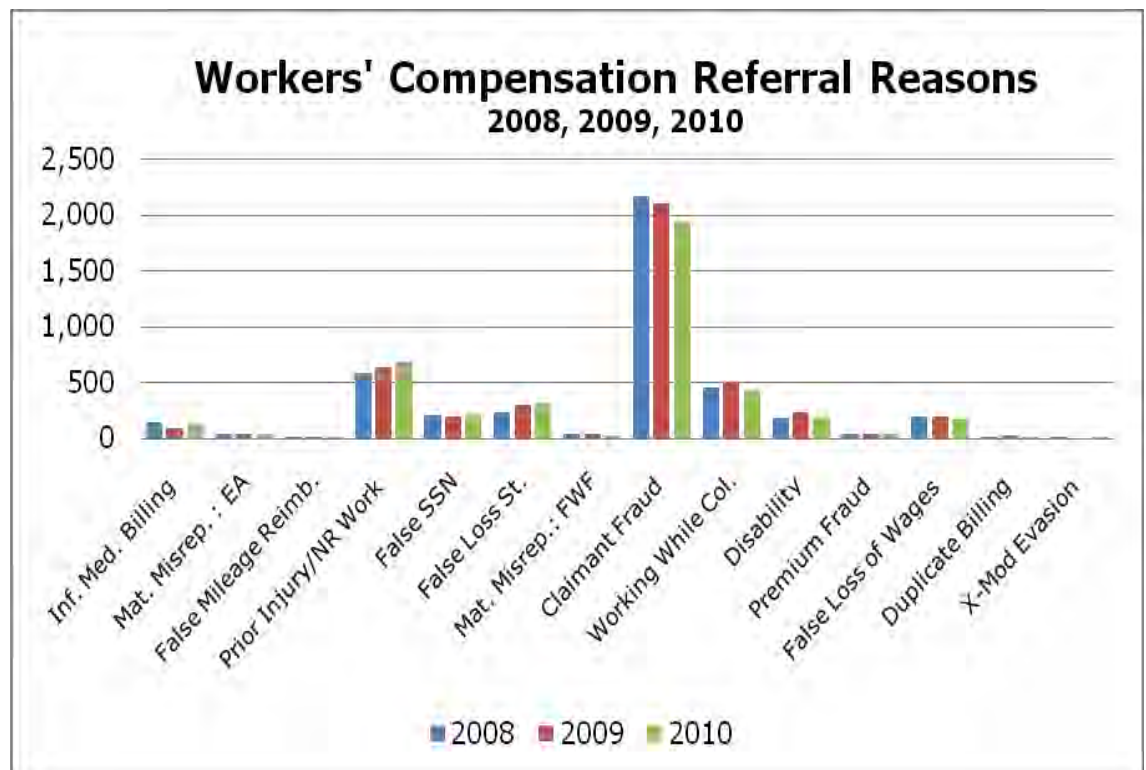
## 2008, 2009, 2010 Commercial Referral Reasons

Commercial Referral Reason	2008	2009	Difference	Percent Change	2009	2010	Difference
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## 2008, 2009, 2010 Workers' Compensation Referral Reasons

Workers' Compensation Referral Reason	2008	2009	Difference	Percent Change	2009	2010	Difference	Percent Change
Inflated Medical Billing	142	91	-51	-36%	91	126	35	38%
Material Misrepresentation on: Employment Application (E.A.)	37	38	1	3%	38	46	8	21%
False Mileage Reimbursement	15	15	0	0%	15	17	2	13%
Prior Injury/Not Related to Work	581	639	58	10%	639	696	57	9%
False SSN	211	198	-13	-6%	198	208	10	5%
False Loss Statements	230	300	70	30%	300	314	14	5%
Material Misrepresentation on: Fraud Warning Form (F.W.F.)	37	36	-1	-3%	36	34	-2	-6%
Claimant Fraud	2,171	2,107	-64	-3%	2,107	1,933	-174	-8%
Working While Collecting	458	496	38	8%	496	433	-63	-13%
Disability	182	232	50	27%	232	202	-30	-13%
Premium Fraud	40	44	4	10%	44	38	-6	-14%
False Loss of Wages	191	197	6	3%	197	168	-29	-15%
Duplicate Billing	15	30	15	100%	30	14	-16	-53%
X-Mod Evasion	2	0	-2	-100%	0	2	2	N/A
<b>Total Workers' Compensation Referral Reasons</b>	<b>4,312</b>	<b>4,423</b>	<b>111</b>	<b>3%</b>	<b>4,423</b>	<b>4,231</b>	<b>-192</b>	<b>-4%</b>

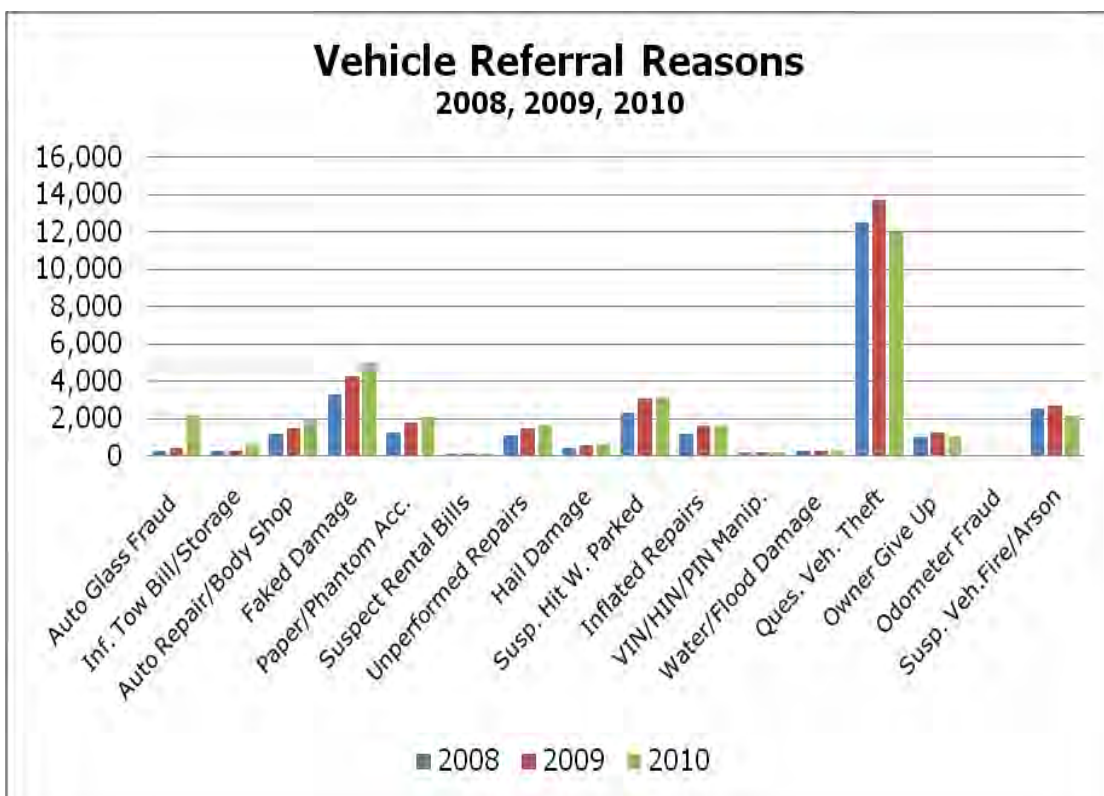
Work Compensation referrals showed an overall decrease of 4% from 2009 to 2010. Inflated Medical Billing is at the top of the percent change chart from 2009 to 2010, and indicates fraudulent activity on behalf of the medical provider. Duplicate Billing referrals decreased by the greatest percentage, and Claimant Fraud decreased by most referrals.



### 2008, 2009, 2010 Vehicle Referral Reasons

Vehicle Referral Reasons	2008	2009	Difference	Percent Change	2009	2010	Difference	Percent Change
<b>Auto Glass Fraud</b>	<b>252</b>	<b>397</b>	<b>145</b>	<b>58%</b>	<b>397</b>	<b>2,182</b>	<b>1,785</b>	<b>450%</b>
Inflated Tow Bill/Storage	293	289	-4	-1%	289	624	335	116%
Auto Repair/Body Shop	1,157	1,480	323	28%	1,480	1,939	459	31%
Faked Damage	3,252	4,242	990	30%	4,242	4,998	756	18%
Paper Accident/Phantom Accident	1,236	1,773	537	43%	1,773	2,066	293	17%
Suspect Rental Bills	84	84	0	0%	84	97	13	15%
Unperformed Repairs	1,088	1,440	352	32%	1,440	1,660	220	15%
Hail Damage	394	594	200	51%	594	646	52	9%
Suspicious Hit While Parked	2,333	3,097	764	33%	3,097	3,151	54	2%
Inflated Repairs	1,202	1,613	411	34%	1,613	1,641	28	2%
VIN/HIN/PIN Manipulation	165	153	-12	-7%	153	154	1	1%
Water/Flood Damage	257	278	21	8%	278	255	-23	-8%
Questionable Vehicle Theft (Auto, Boat, Heavy Equipment, etc.)	12,524	13,740	1,216	10%	13,740	11,944	-1,796	-13%
Owner Give Up	1,042	1,217	175	17%	1,217	1,035	-182	-15%
Odometer Fraud	49	59	10	20%	59	47	-12	-20%
Suspicious Vehicle Fire/Arson	2,533	2,695	162	6%	2,695	2,146	-549	-20%
<b>Total Vehicle Referral Reasons</b>	<b>27,861</b>	<b>33,151</b>	<b>5,290</b>	<b>19%</b>	<b>33,151</b>	<b>34,585</b>	<b>1,434</b>	<b>4%</b>

Auto Glass Fraud experienced a significant increase of 450%. Also notable, Inflated Tow Bill/Storage experienced a 116% increase. Overall, Vehicle Referral Reasons increased 4% from 2009 to 2010. The top three reasons in 2010 (Auto Glass Fraud, Inflated Tow Bill/Storage, Auto Repair/Body Shop) are body shop related and comprise 14% of the total referral reasons for this category.



### 2008, 2009, 2010 Miscellaneous Referral Reasons

Miscellaneous Referral Reason	2008	2009	Difference	Percent Change	2009	2010	Difference	Percent Change
Vendor Fraud	271	443	172	63%	443	815	372	84%
Attorney Activities	1,581	1,750						



## Miscellaneous Referral Reasons 2008, 2009, 2010

