

More than Half of U.S. Consumers Say Poor Service Leads to Fraudulent Insurance Claims, Accenture Survey Finds

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Source: Accenture Global Management

Survey suggests significant increase in claims filed and greater likelihood of fraud

NEW YORK; Sept. 22, 2010 – More than half (55 percent) of U.S. consumers say poor service from an insurance company is more likely to cause an individual to commit fraud against that company, according to a survey released today by Accenture (NYSE: ACN).

The survey also reveals a significant increase in claims filed, with nearly half of U.S. adults (47 percent) saying they had filed property and casualty (P&C) insurance claims at some time, up from less than one-third (29 percent) in a similar survey conducted in 2003.

Also according to the survey of more than 1,000 adults, more than three quarters (76 percent) of consumers said that people are more likely to commit insurance fraud during an economic downturn than they are in more normal times, up from 66 percent in 2003. While 83 percent of the Americans surveyed in 2003 believed insurance companies were capable of identifying or preventing fraud, only 72 percent think so today. More than two-third of respondents (68 percent) said they believe insurance fraud occurs because people believe they can get away with it, up from 49 percent in 2003.

“The potential increase in the likelihood of fraudulent claims is driven by both the consumer’s desire to recover monies and as retaliation against poor service,” said Michael A. Costonis, executive director of Accenture’s Insurance practice in North America. “This creates a significant challenge for insurers to examine every aspect of claims service delivery, including the way they review and analyze potentially fraudulent claims and the service touch points with their policyholders. Doing this correctly will help insurers stay competitive and attract and keep customers in this tough economic environment.”

According to the individuals surveyed, insurance fraud occurs because of peoples’ need for money (cited by 60 percent of respondents), or because they believe they are paying too much for insurance (42 percent). One-third of respondents said that those committing fraud do so in order to make up for the deductible they would have to pay.

Among the survey’s other key findings:

More than half (56 percent) of respondents say that they would likely report someone who has committed insurance fraud, while one respondent in five is uncertain about their position on this issue.

The proportion of individuals who have filed an insurance claim increases with age and income. For example, the survey shows that among people over 55, more than 60 percent have filed a claim, and people earning more than US\$100,000 per year were much more likely (59 percent) than people making less than US\$50,000 per year (40 percent) to file a claim.

Men are more likely to have filed a claim than women: 50 percent of male survey respondents say they’ve filed a claim as opposed to 44 percent of women respondents.

While consumers who have recently filed a claim were most likely to have done so through an agent (48 percent) or through a call center (46 percent), the survey indicates that people are making greater use of the Internet to file claims. According to the survey, the number of Internet-based claims has increased from nearly zero in 2003 to 7 percent today. U.S. adults over the age of 34 prefer dealing with agents, while younger individuals prefer direct channels such as phone and Internet, according to the survey.

Approximately one U.S. adult in ten (11 percent) knows someone who has inflated the value of his or her insurance claim. The proportion of people who know someone who has inflated the value of a claim is highest among the

youngest survey participants (19 percent of respondents aged 18-24) and the wealthiest (19 percent of individuals with incomes over \$100,000).

For a copy of the report, please go to [Accenture Insurance Consumer Fraud Survey 2010](#)

About the survey

Accenture commissioned a survey of 1,013 U.S. adults on their behaviors and attitudes toward insurance fraud and to assess any changes in their attitudes and behaviors since conducting a similar survey in 2003. The survey was conducted online between May 27 and June 3, 2010. The survey sample is representative by gender, age, level of income and geography of the U.S. population.

About Accenture

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