

Insurance fraud comes in many different forms, from creative and complicated to simple and childlike. In the U.S., insurance fraud costs about \$30 billion per year, or 10% of the total losses paid out by insurance companies. And while some people may cheer this activity on, thinking that the large insurance companies deserve a little fraud since they are so big and heartless, these people are forgetting that these costs just end up in everyone else's premiums. So if we could get rid of insurance fraud completely, you could expect to pay 10% less for every kind of insurance policy that you buy.

Until recently, solving insurance fraud claims has been a slow and difficult process. But social media sites, like Twitter, Facebook, Linked In and others are providing a wealth of information and clues to investigators. Take a look at a few of these real world examples to see just how these social media sites are helping investigators catch and stop some of the insurance fraud criminals out there.

Let's start with a case of fraud that doesn't include an insurance company to see how powerful these tools can be. A woman worked in the payables department of a large firm that had awarded a maintenance contract to a firm that was secretly run by her husband. The husband then began billing for services that were not actually performed and the wife paid them on behalf of the firm. This kind of fraud would be nearly impossible to detect. But the investigator cross referenced information from all of the social media sites with traditional sources such as the white pages and eventually found an address associated with the maintenance firm that matched an address of one of the couple's grown children. This allowed him to connect the two and put an end to their fraud.

Workers compensation insurance is the area of insurance that has perhaps gained the most from these sites. An injured worker, out on disability posted photos of himself on top of a mountain in Aspen ready to ski down. Another disabled worker left social media trails that led to him playing basketball in an adult basketball league. Instead of having to hire an investigator to follow him around everywhere, the insurance company can now just have the investigator show up at the game and witness the disabled worker playing basketball. The fraud is stopped and the investigation costs are reduced. Or consider the case of a worker who was out on disability for a back injury that posted photos of himself at a karate class, thereby ending his disability workers compensation claim.

Relationships between different players in fraud can also be discovered using social media. A doctor and an attorney who were involved in a scam together turned out to be connected on

Linked In and it was later found that they were tweeting to each other to set up meetings to work out their next moves. In one case, an investigator of a slip and fall claim that seemed suspect, found that 2 other people living in the same apartment with the victim were also victims of slip and fall claims. It turns out that only the first of these claims was legitimate and that the other two took their knowledge of this one incident to fabricate their stories to set up their fraudulent insurance claims.

Even Craigslist is a part of this action. One fraudster filed an auto insurance claim that his car had been stolen. Several months later he was listing that car for sale on Craigslist. In another example, a person filed a claim for their car that had been burned and investigators later found several earlier ads on Craigslist where this person had tried unsuccessfully to sell the car. I guess he decided it would be easier to burn it and collect the insurance money.

All of these sleuthing techniques will help keep your insurance costs lower over the long term. If you want to cut your insurance costs dramatically in the short term, then I suggest that you call Clinard Insurance Group, toll free, at 877-687-7557 and let us help you find the policy that suits your needs at a rate that will shock you.