

Forum

A monthly publication reporting on issues affecting the insurance industry in Ohio

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Representing Ohio's property/casualty insurance industry

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Most Americans think insurance fraud occurs because people believe they can get away with it. A telephone poll of 1,000 randomly selected U.S. adults found that 56 percent of Americans attribute the existence of fraud to people believing they will get away with it, up from 49 percent a year earlier. The study was commissioned by management and technology consultant Accenture.

Less popular answers attributed the existence of insurance fraud to people thinking they pay too much for insurance, cited by 32 percent of respondents and people seeking to make up for their deductibles, answered by 24 percent. □

One in four privately held companies has been sued by an employee or former employee in the past few years, according to a survey sponsored by the Chubb Group of Insurance Cos.

Researchers found that 26 percent of executives reported their company had been sued by an employee or former employee, and 22 percent reported having an employee file a discrimination or harassment complaint with the Equal Employment Opportunity Commission or state agency during the past few years.

More than half the executives surveyed estimated it would cost more than \$100,000 to settle an employment discrimination or harassment lawsuit. Ten percent said it would cost at least \$1 million.

The survey also found that many private companies are taking steps to lower their risks and reduce potential losses. Forty percent of private companies surveyed purchase employment practices liability insurance and 24 percent purchase fiduciary liability insurance. Additionally, 72 percent of the companies surveyed have written policies banning employment discrimination and sexual harassment and 52 percent offer employment discrimination and/or sexual harassment training. □

Health insurance premiums are expected to rise up to 10 percent this year, well below the annual increases of 14 to 18 percent in the last few years but still more than double the overall inflation rate, according to an article in the *New York Times*.

Several factors are putting downward pressure on rate increases. A big force is last year's decline in the costs of insured care provided by hospitals and physicians, as fewer people were hospitalized and consumers shied away from paying more for expensive drugs. That means many insurers socked away sizable profits that will enable them to restrain their premium increases for 2004. □

Insurance Fraud

Why? Because people can get away with it

Private Company Risk

Survey finds one in four companies sued by employees, former employees

Health Insurance

Increases in premiums are slowing

Teenage Drivers

Saturday nights dangerous
for young drivers

Teen drivers are 200 times more likely to be involved in a drunken-driving accident in the wee hours of Sunday morning compared with 10 a.m. Sunday morning, according to a study of 5,000 fatal accidents involving teens and drunken driving from 2000 to 2002.

Researchers found that teenage boys are more than three times as likely to be involved in drunken-driving accidents as teenage girls.

From 2000 to 2002, about 17,000 teens were killed in alcohol-related accidents, up slightly from the 16,572 killed in 1999, but down significantly from the 26,173 killed in 1982.

Motor vehicle crashes are the No. 1 cause of death among Americans ages 15 to 20, according to the National Center for Health Statistics.

Fatal accidents involving teens are on the rise. In 2002, 8,278 drivers ages 15 to 20 were involved in fatal accidents, a 12 percent increase from the 7,403 drivers involved in fatal accidents in 1992, according to the National Center for Statistics and Analysis of the National Highway Traffic Safety Administration (NHTSA).

About 29 percent of the teens driving in fatal accidents in 2002 had been drinking, according to NHTSA. □

Most of the 11 million home-based businesses in America lack adequate insurance coverage, according to a survey by the Independent Agents & Brokers of America.

The survey found one in 10 U.S. households operates some type of full- or part-time home-based business. However, nearly 60 percent of these businesses do not have insurance coverage. When asked about the lack of insurance, nearly 40 percent of these business owners said they thought they were protected by their homeowners policies, and 30 percent said they were too small to insure.

While home-based businesses with low income are more likely to lack insurance, the survey found an alarming 41 percent of business owners making more than \$75,000 a year also lack coverage. □



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