

**Three in Ten Ontarians (27%) Fail Quiz on
Auto Insurance Fraud**
*One in Ten (8%) Admit to Having Engaged in
Auto Insurance Fraud*

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Three in Ten (27%) Ontarians Fail Quiz on Auto Insurance Fraud *One in Ten (8%) Admit to Having Engaged in Auto Insurance Fraud*

Toronto, ON – While seven in ten Ontarians (70%) agree (24% strongly/46% somewhat) they are confident in their ability to recognize auto insurance fraud when it happens, nearly three in ten (27%) get a failing grade when their knowledge of it is put to the test, according to a new Ipsos poll conducted on behalf of the Financial Services Commission of Ontario (FSCO). Ontarians had their knowledge of auto insurance fraud tested in a quiz. Overall, 73% passed the quiz while 27% did not. Among those who passed, grades varied considerably: 23% received a grade of A, 21% a B, 16% a C, and 13% a D. The average number of correct answers was 7.9 out of 12*.

Those most likely to pass the test were Baby Boomers, aged 55 and over (83%, vs. 76% of Gen X Ontarians and 56% of Millennials). Those most likely to fail the test were Millennials, aged 18-34 (44%, vs. 24% of Gen X'ers and 17% of Boomers).

Mixed Results

Ontarians did better on some questions than others. For instance:

- A majority (66%) either thought it's true (51%) or didn't know (15%) whether they must **report all road accidents to the police, regardless of the value of damages or whether anyone is hurt**, leaving one in three (34%) who correctly said this is false.
- Six in ten (63%) Ontarians either incorrectly said it's true (23%) or didn't know (40%) whether **tow truck operators must make referrals for body repair shops and storage**

facilities at the scene of an accident, according to regulations in the Consumer Protection Act. Four in ten (38%) said this is false, which is the right answer.

- Four in ten (42%) either wrongly thought it false (7%) or didn't know (35%) whether auto **insurance fraud increases auto insurance premiums by an estimated \$116-\$236 per premium**. A majority of Ontarians (58%) recognized this statement to be true.
- One in three (35%) either incorrectly thought it true (9%) or were unsure (26%) whether 'it does not state, under the federal Criminal Code, that **it is an offence for someone to defraud an insurance company.**' Nearly two in three (64%) correctly said this is false.
- One in four (25%) Ontarians did not answer correctly when presented with a statements that '**auto insurance fraud does not affect auto insurance premiums; insurance companies set the premiums high because they are for-profit corporations.**' One in ten (9%) mistakenly said this was true, while another 16% didn't know, leaving 74% who correctly said it was false.
- Just 17% of Ontarians had the wrong answer about whether they **could go to jail, pay a hefty fine and risk their insurance premiums being cancelled if they were to be convicted of auto insurance fraud** (4% thought this was false, while 13% didn't know). Most Ontarians (85%) knew this is true.

Ontarians fared better overall when confronted with a range of scenarios and asked whether each constituted a type of auto insurance fraud – though very few got it right when it came to a scenario of staging an auto accident:

Your car is broken into. The thief stole \$20 you had in the glove compartment and your first aid kit from the trunk. It's fine to tell the insurance company that in addition to the \$20 and the first aid kit, you also had a set of golf clubs in trunk that were stolen, but they weren't actually in the car.

- Eight in ten Ontarians (85%) correctly said this was false, leaving 15% who either mistakenly thought it true (4%) or weren't sure (11%).



You have a dent in your front driver-side door from when you opened the door into another car last month. Now you've been in an accident and the rear driver-side is badly scratched, plus there's a small dent. When submitting an insurance claim for this accident, it's not a big deal to claim the pre-existing damage from your front driver-side door.

- Eight in ten (82%) knew this to be false, while two in ten (18%) either wrongly said it was true (6%) or didn't know either way (12%).

You've been visiting a massage therapist since you had an auto accident. You received six treatments and are now feeling back to normal. It's okay to add on four additional treatments since you're still under your insurance benefits limit, even if they're not really needed.

- Three in four Ontarians (75%) correctly identified this as a false statement, leaving one in four (25%) who either said it was true (9%) or weren't sure (16%).

You visit your chiropractor for another treatment for the whiplash you sustained in an auto accident. The receptionist asks you to sign a blank insurance claim form to speed up visits for you. Signing the blank claim is fine as you'll have the chance to check it when you receive the statement of services from your insurance company.

- A majority (67%) correctly said this was false, leaving one in three (33%) who either thought it was true (11%) or didn't know either way (22%).

You have been in auto accident, and even if health treatments from a massage therapist, acupuncturist, physiotherapist or chiropractor are not medically warranted, you can undergo treatment anyway since your insurance covers it.

- Two in three (66%) correctly said this was false, while one in three (34%) answered incorrectly (14% true, 20% don't know);



Your colleague asks if you would like to join him in staging a car accident to get money from your insurance companies. This is not fraud, because there has been no claim yet.

- Just one in ten (11%) knew this is true, leaving nine in ten Ontarians (89%) who wrongly thought it was false (77%) or didn't know what to think (12%).

Nearly One in Ten (8%) Admit to Fraudulent Behaviour

Fewer than one in ten (8%) Ontarians admit to having personally engaged in some type of behaviour that could constitute auto insurance fraud:

- Convincing an auto body repair shop to add in additional fixes to a car damaged in an accident and put the full cost through insurance: 5%
- Claiming damage on your car that was pre-existing and not as a result of a current accident: 3%
- Claiming injury from an auto accident when you were in fact uninjured: 3%
- Lying on an auto insurance application form: 3%
- Receiving medical treatment (i.e. massage therapy, physiotherapy, chiropractic) as a result of a car accident which you claimed through insurance but that you didn't medically require: 3%
- Staging a car accident and submitted a claim through your auto insurance: 3%
- Exaggerating to your insurance company about the value of contents that were stolen from your car: 3%
- Stating you had items stolen from your car that were not actually stolen: 3%
- Receiving and claiming a receipt against auto insurance for a service you did not receive: 3%
- Continued medical treatment (i.e. massage therapy, physiotherapy, chiropractic) as a result of a car accident that you no longer required, but submitted it through insurance because you still had benefits/coverage remaining: 2%

In nearly all cases, men are significantly more likely than women to have engaged in the behaviour, as are Millennials compared to older Ontarians:

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	Which of the following have you done in the past? (% 'Yes')				
	Gender		Age		
	Male	Female	18-34	35-54	55+
Convinced an auto body repair shop to add in additional fixes to a car damaged in an accident and put the full cost through insurance	8%	2%	12%	3%	1%
Claimed damage on your car that was pre-existing and not as a result of a current accident	5%	2%	7%	2%	1%
Claimed injury from an auto accident when you were in fact uninjured	5%	1%	9%	1%	1%
Lied on an auto insurance application form	5%	1%	7%	2%	1%
Received medical treatment (i.e. massage therapy, physiotherapy, chiropractic) as a result of a car accident which you claimed through insurance but that you didn't medically require	5%	1%	8%	1%	*
Staged a car accident and submitted a claim through your auto insurance	5%	1%	7%	2%	1%
Exaggerated to your insurance company about the value of contents that were stolen from your car	4%	2%	7%	2%	1%
Stating you had items stolen from your car that were not actually stolen	5%	1%	7%	2%	-
Received and claimed a receipt against auto insurance for a service you did not receive	5%	1%	7%	1%	1%
Continued medical treatment (i.e. massage therapy, physiotherapy, chiropractic) as a result of a car accident that you no longer required, but submitted it through insurance because you still had benefits/coverage remaining	4%	1%	6%	1%	-



Majority Oppose Auto Insurance Fraud, But Few Know How to Report It

Nearly all Ontarians say they oppose auto insurance fraud: nine in ten (90%) agree (74% strongly/16% somewhat) they would never knowingly defraud an auto insurance company under any circumstance, while nearly as many (89%) agree (77% strongly/12% somewhat) that making an exaggerated or false insurance claim is wrong. However, this suggests that one in ten Ontarians think its okay to defraud an insurance company.

Seven in ten (70%) agree (24% strongly/46% somewhat) they're confident in their ability to recognize auto insurance fraud when it happens, but only a slim majority (58%) agree (24% strongly/34% somewhat) they would be comfortable reporting someone, if they knew that person was committing auto insurance fraud.

At the same time, more nearly half of Ontarians (44%) believe (10% strongly/34% somewhat) there are a lot of 'grey areas' when it comes to what constitutes a valid insurance claim, and only one in three (35%) agree (10% strongly/25% somewhat) they know how to report auto insurance fraud. Nearly two in ten Ontarians (16%) agree (6% strongly/11% somewhat) they know a friend who has made an exaggerated or false auto insurance claim in the past, and one in ten (11%) agree (5% strongly/7% somewhat) they're aware of a family member who has done so. Nearly one in ten Ontarians (7%) outright agree (2% strongly/5% somewhat) that they themselves have submitted an exaggerated or false claim in the past.



Attitudes Toward Auto Insurance Fraud

In line with widespread opposition to auto insurance fraud, the vast majority of Ontarians (92%) disagree (74% strongly/18% somewhat) that 'auto insurance fraud is no big deal', though 8% agree (4% strongly/4% somewhat) it's not.

Likewise, eight in ten (83%) disagree (56% strongly/27% somewhat) that 'getting more money out of insurance companies is okay, since I pay a lot for the coverage', though nearly two in ten (17%) agree (4% strongly/12% somewhat) that getting more money out of insurers is okay.

While a majority (65%) disagree (35% strongly/30% somewhat) that insurance companies make enough money to easily cover the false claims that people make against them, fully one in three Ontarians (35%) agree (9% strongly/26% somewhat) that they do.

*The 12-question quiz was graded as follows: 10-12/12 = A; 9/12 = B; 8/12 = C; 7/12 = D; 0-6/12 = F.

These are some of the findings of an Ipsos poll conducted between February 13 and February 17, 2017, on behalf of the Financial Services Commission of Ontario. For this survey, a sample of 1,052 Ontarians who are licensed to drive and are aged 18+ from Ipsos' online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 3.4 percentage points, 19 times out of 20, had all Ontario drivers been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.



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For more information on this news release, please contact:

*Sean Simpson
Vice President
Ipsos Public Affairs
(416) 324-2002*

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