



South Carolina  
House of Representatives  
Legislative Oversight Committee

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Sent via Electronic Mail

Erin Farthing, Director  
South Carolina State Accident Fund  
113 Reed Avenue  
Lexington, South Carolina 29072

RE: House Legislative Oversight Committee - Insurance Fraud

DATE: August 31, 2023

Dear Director Farthing,

The House Legislative Oversight Committee has convened an ad hoc committee to investigate insurance fraud in South Carolina. This issue contributes to increased costs to consumers and businesses and compromises public safety. According to the 2021 Insurance Fraud Division Annual Report, fraud continues to persist and grow in the state.<sup>1</sup>

The ad hoc committee will seek to understand the following: (1) fraud mitigation duties assigned to agencies tasked with the prevention, investigation, reporting, and prosecution of insurance fraud; (2) prevalence of insurance fraud in the state; (3) types of insurance fraud and the associated cost to residents of the state; (4) gaps in existing state law which may impair insurance fraud mitigation; (5) prevalence of fraud in the mediation process; (6) availability of fraud prevention and identification training at state agencies; (8) process for educating insurance organizations regarding identification and reporting of fraud to state authorities; and (7) opportunities to improve interagency communication.

This letter serves as notification of the ad hoc committee’s intent to request the South Carolina State Accident Fund’s participation in this review.

Thank you for your service to the state of South Carolina and all the people who live, work, and visit our great state. Committee staff will reach out to you to coordinate the first meeting.

<sup>1</sup> <https://doi.sc.gov/DocumentCenter/View/13931/2021Fraud-Division-Annual-Report>