



FACTORS CONTRIBUTING TO FRAUDULENT CLAIMS IN
MEDICAL INSURANCE:
PERSPECTIVE OF PUBLIC AT GOMBAK, SELANGOR

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ABSTRACT

It cannot be denial, now a day's fraud insurance claims in Malaysia are become serious, which causing insurance companies have lost of hundreds of millions of ringgit. Especially for the medical insurance, where people are willing to chop their finger off, medical ailments exaggerated and even death faked for the purpose of fraud claims. Since this problem become increasing each year, insurance companies or insurance provider must found the way how to handle this before it become worse in the future. Insurance companies or insurance provider should understand clearly the current situation by identify the factors that contributing to the fraudulent claims in medical insurance. By this understanding, insurance companies and insurance provider will get an idea or ways on how to reducing fraud claims in the future. Therefore, this research is conduct to study the factors that contributing to fraudulent claims in medical insurance.

1.0 Introduction

1.1 Introduction

History and evolution

According to Wikipedia, 2011, the idea of health insurance was proposed in 1694 by Hugh the Elder Chamberlen from the Peter Chamberlen family. In the late 19th century, "accident insurance" began to be available, which operated much like modern disability insurance. This payment model continued until the start of the 20th century in some jurisdictions (like California), where all laws regulating health insurance actually referred to disability insurance.

In United States by year 1850, Franklin Health Assurance Company of Massachusetts offered the first Accident insurance which offered insurance against injuries arising from railroad and steamboat accidents. Then, by year 1866, sixty organisations were offering accident insurance in U.S but the industry consolidated rapidly soon thereafter. Though earlier experiments, the origins of sickness coverage in U.S successfully date from 1890 where the first employer sponsored group disability policy was issued in 1911.

Previously, before the development of medical expense insurance, patient were expected to pay health care costs out with their own pockets money, which known as the fee-for-service business model. During the middle to late 20th century, traditional disability insurance evolved into modern health insurance programs. Nowadays, most comprehensive private health insurance