

FRONTLINE SERVICES HELP TO FIGHT INSURANCE FRAUD

Often the first to arrive at the scene of an accident, the emergency services are in the unique position to record on-the-spot information, which can be used to identify potentially fraudulent and exaggerated claims at an early stage, writes Tom O'Brien, Chairman of the Anti-Fraud Group at Insurance Ireland.



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As a member of the emergency services, you may be confronted with very challenging emergencies and encounter life-threatening situations in the line of duty. Your professionalism and dedication to the role is really important to helping people who find themselves in difficulties. However, there are people who will take advantage of these situations for selfish gains.

Have you ever responded to an emergency call-out, reached the accident scene and think to yourself 'this seems a bit strange'? Or perhaps you thought the injuries involved do not reflect the circumstances of the accident as you see it.

The vast majority of accidents are genuine. The injuries occurring and the parties involved are bona fide. You do your best to help these people and sort out the problems that arise in the best possible way.

In a small number of cases, the 'accidents' can be bogus or created to give the impression of being accidental events. The circumstances of the accident, as described by those involved, may not reflect what actually happened.

The injuries may be feigned or made up. The injured parties may try to misrepresent the circumstances of the accident and the injuries they have suffered in order to facilitate a claim for insurance purposes.

IMPACT ON SOCIETY

The most disturbing aspect of bogus accidents is that the people

involved will call the emergency services to help legitimise their injuries and set the foundation for building an insurance claim.

Quite apart from the cost to insurance companies, these types of accidents tie up vital services in responding to accidents that are created simply for the purpose of pursuing an insurance claim.

In the current economic climate, the opportunity cost to the State is unacceptable. The misuse of vital services can also have a detrimental effect on people who have a genuine need for emergency assistance.

If the ambulance or fire services are tied up at an accident scene, they may be unavailable for other emergencies during that period of time. The societal cost of this type of behaviour goes way beyond the perceived benefits that accrue to the individuals that are involved in these activities.

DEALING WITH FRAUD

Insurance companies are constantly on the look-out for fraudulent and exaggerated claims. It is estimated that these types of claims cost the industry in the region of €200 million per year and add about €50 to the price of an insurance policy. This is a lot of money which everyone pays when they purchase insurance.

The insurance industry and its representative body, Insurance Ireland, is committed to tackling and defeating all types of fraud. It supports various initiatives to help prevent fraud, including the following:

- **Provides a website with information about insurance fraud.** Please click on the following link for more information www.insuranceconfidential.ie
- **Provides an Insurance Confidential line – 1890 333 333 (Lo Call)** where people can leave anonymous information about claims that they feel are fraudulent or exaggerated.
- **Sponsors anti-fraud advertisements** on TV, radio and other media channels.
- **Manages an industry-wide claims history database (InsuranceLink)** where insurance companies can check the claims history of people making claims. This allows companies to identify serial claimants and also highlights misrepresentation by individuals who may not have declared previous accidents when taking out an insurance policy.
- **Facilitates an Anti-Fraud Group** that meets on a regular basis to discuss existing and emerging fraud threats.

- This group adopts strategies and tactics that ensure a coordinated industry response to fraud.
- **Organises fraud conferences and training for staff** in the industry to ensure that they are aware of fraud and to encourage best practice in dealing with fraud.

In addition, individual insurance companies employ a variety of techniques to triage claims and identify potentially fraudulent activities. Companies will maintain a robust approach to dealing with claims where there are suspicions of fraud and exaggeration of the damage or injuries involved.

RECORDING INFORMATION

The emergency services are in a unique position to record information about an accident as they are often the first to arrive at the scene.

Contemporaneous notes taken by emergency services personnel can make a vital difference when investigating a claim and deciding whether an accident is genuine or potentially involves fraud and exaggeration.

Where possible, it would be really useful if the emergency services staff could make a note of the following key points at the scene of a motor accident.

1. How many vehicles and people are involved?
2. Sketch vehicle positions and direction of travel prior to impact.
3. Note indications of damage and possible speed at point of impact. Damage may be significant or minimal. It may be a "low speed impact" with scuffing of bumpers, etc. All this information will help build a picture of the circumstances of the accident for the claims investigator.
4. Pictures would be really useful if possible.
5. Record all names and contact details.
6. Record the seating positions of people within the vehicles. This will help prevent phantom passengers from submitting claims.
7. Comment on the injuries to people. It is hard to be precise when dealing with injured people at an accident scene, however, any notes and observations would assist in determining the level and severity of injuries. These notes are also useful as the claim's investigators can cross check them with medicals details submitted later.
8. Purpose of journey. This can be a key piece of information, especially where accidents are staged for the purposes of creating a claim. It can help to establish the credibility of participants in a suspected staged accident.
9. If there are witnesses to the accident, try to get their names and contact details.
10. Make a note of any other information that you feel is relevant and would help when investigating the claim, particularly if you have concerns about the circumstances of an accident or the injuries involved.

A lot of this information may be contained in Garda abstracts if they attend the scene and provide a report. Fire service reports and A&E ambulance notes are also really important when investigating claims, especially those that are potentially fraudulent or exaggerated.

Information gathered at the scene of an accident together with other facts assembled during the investigation of a claim

Insurance Ireland represents about 95 per cent of the domestic insurance industry and 80 per cent of the international life insurance market. Its members pay out more than €5.4 billion in claims to Irish customers and contribute over €1.6 billion in tax to the Exchequer per annum.



Insurance Ireland's key functions include:

- Representing its members' interests to Government, state agencies, regulatory bodies, public representatives, other national interest groups, the media and the general public;
- Representing the position of members at a European level, particularly via Insurance Europe, the European association for national insurance company representative bodies, and at a global level via the Global Federation of Insurance Associations (GFIA);
- Keeping members abreast of relevant policy and regulatory developments and providing a forum for member debate on such issues;
- Providing information to government, the wider policy-making community and the public about insurance.

The insurance industry holds €200 billion in assets in Ireland of which €30 billion is invested in Irish infrastructure and government debt, generates €25bn in premium income (domestic and overseas) and employs more than 27,000 people.

Insurance makes a major contribution to Ireland's economic growth and development and is a cornerstone of modern life. One of the most important aspects of insurance is to pay claims to customers at times when they need it most.

will assist insurers to quickly make decisions about the veracity of a claim.

In summary, insurance companies are there to protect their policy holders and compensate innocent third parties who find themselves involved in genuine accidents. The emergency services are in a unique position to capture on-the-spot information about accidents. This information will assist in identifying potentially fraudulent and exaggerated claims at an early stage so that appropriate action can be taken by insurers and the Gardaí.

If you are suspicious about the circumstances of an accident, alert the Gardaí or call the insurance confidential line – 1890 333 333 to report your concerns.

I would like to recognise the excellent work of emergency services personnel in responding to emergencies and dealing with the aftermath of accidents. Thank you, one and all, for your professionalism and dedication to the role.