



# INSURANCE **FRAUD** BLUEPRINT

*Expert Advice to Protect You,  
Your Team, and Your Customers*



# About the Author



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**J**ohn is an internationally recognized insurance fraud expert who has featured in multiple international journals, appeared on national television, and is an acclaimed keynote speaker on insurance fraud.

At the age of 30, John has multiple insurance and investigative accolades which include, 'International Insurance Investigator of the Year – IAATI', 'Young Insurance Professional of the Year NZ Finalist – ANZIIF', and NZ Insurance 'Young Gun'– Insurance Business.

As the owner of ISACORP Limited, his team of specialist investigators are leading the fight on insurance fraud in the Pacific.

 @theriskprofessional

# Contributions by:



## **Garth De Klerk**

*CEO, Insurance Crime Bureau  
(South Africa)*

As the CEO of the Insurance Crime Bureau in South Africa, Garth has extensive knowledge on insurance fraud. With 20+ years experience in related roles he is pivotal in the protection of the community from insurance fraud.



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Against Insurance Fraud (USA)*

Matthew is an internationally recognized insurance fraud expert and President of Insurance Law Service Inc. He assists SIU and insurance experts in combatting insurance fraud particularly in the fields of Emerging Risks.



## **Cara Carpenter**

*Operations Manager, Isacorp  
Limited (Oceania)*

With recent insurance fraud work published in NZ's leading security journal, Cara has raised the standard for females in the investigative sector. Cara currently leads the 'Operations Portfolio' at Isacorp Limited.



## **Candace Padgett**

*Fraud and SIU Expert (USA)*

Candace has over a decade of experience in the insurance industry and has both presented on fraud and co-authored articles. She is a past President of the National Society of Professional Insurance Investigators.



## **Simon Smith**

*Cyber Fraud Expert, eVestigator  
(Australia)*

Simon is regarded as a prominent figure in all aspects of cyber fraud. With 20+ years experience, he has aided all stages of the insurance journey from policy wording to claims investigations. His credentials and reputation are rarely surpassed in the cyber world.

# CONTENTS

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Introduction	5
An Overview of Insurance Fraud - Worldwide	6
Domestic Insurance – Motor & Contents	12
Travel Insurance	15
Cyber Insurance	18
Business Insurance – Material Damage & BI	21
Liability Insurance	24
Organised Crime and Insurance Fraud	27
The Future of Insurance Fraud	30
Investigator Cheat Sheet – Be Your Own Detective	34
Conclusion	37
Appendix & Resources	38

# Introduction

From a motor vehicle to the Internet of Things (IOT), fraudsters have no shortage of options when it comes to taking advantage of the insurance sector.

In 2018, global premiums alone made up an estimated \$5.2 trillion to the financial sector, making the insurance industry one of the most lucrative targets for fraudsters around the world. Combine that with the advancement of technology, growing competition, and a perceived lack of punishment. It stands to reason why insurance fraud has and always will be one of the highest risks to the global insurance economy.

This e-book has been specifically designed by international experts around the world to help insurance professionals combat fraud and reduce their exposure to claims risk. From the seasoned criminal to the average policy holder with poor judgement, this guide will give you the edge when it comes to the early identification of 'risk' claims and protecting your clients from loss.

## What this e-book will cover:

1

### The Risk:

Why various insurance lines are being targeted

2

### The Flags:

What to look out for when a claim is submitted

3

### The Reaction:

How investigators work towards identifying and proving insurance fraud and vulnerable claims

4

### The Statistics:

Data/trends/analysis and case studies

5

### Safeguarding Clients:

What you can advise policy holders to minimise the risk of loss



*Insurance Fraud Globally*

# OVERVIEW

The facts, figures, and data that is shaping the  
Insurance Fraud Industry worldwide.

# Background

Using the insurance sector as a vehicle for fraud is nothing new and, to be honest, it is more a case of 'old dog, new tricks' in today's growing market. In fact, insurance fraud can be dated back as far as 360 B.C (see below) where motives, intent, and opportunities were almost identical to what they are today.

Perhaps the only variable between traditional insurance fraud is the emergence of technology which adds further complexities for the sector. Traditionally, a claims professional may have assessed a staged accident or organized vehicle theft. Now they need to be equipped to combat the emergence of technology to 'cheat' automated claims systems, flagging software, and a digital customer journey with less involvement from a claims technician.

Current global studies are limited for 'insurance fraud' as in recent times insurers tend to focus on customer centric business models, placing time and investment into underwriting and a desire for 'instant gratification' insurance.

The data we do have outlines some concerning risk for the insurance sector, none more so than the fact that some insurers admitted 48% suffered a loss of insurance fraud which was assisted by internal staff/agents (RGA, 2016).

On a global front, insurers are battling a war that cannot be won. By large, fraudsters are opportunists and the sector transition from legacy-based systems to the digital age presents 'fruit ripe for the picking'. Criminal strategies will be developed bypassing internal flagging systems, automated claims will be exploited, and the industry will always need fraud experts as allies to perhaps win more battles than they lose in the fight against fraud.

The light at the end of tunnel for some insurers at least, is that the data shows a few are taking more than a knife to this gunfight.

Over 90% of claims professionals don't have a minimum claim quantum that triggers an investigation and around a quarter combine that with machine learning and in-house assessment to identify early signs of fraud (RGA, 2016).

The above is also aided by the rising conversations for data sharing and cross sector collaboration, all which help identify customers who insurance companies want 'off risk'.

Perhaps the most valuable tool required is a no-nonsense, practical guide that will give you an understanding of insurance fraud, how to identify it, why fraudsters target various lines, and what expert investigators do to help you catch fraudsters out. The 'Insurance Fraud Blueprint', a vital asset for you as an insurance professional going forward. From underwriting to claims you will benefit greatly from having this in your toolbox.



## Interesting Insurance Fraud cases throughout history:

**360BC : Marine Insurance – Xenothemis.**

Deliberately sunk vessel in Indian Ocean to claim insurance

**1781 : Cargo Insurance – Gregson Slave Trading.**

Deliberately threw slaves overboard and claimed cargo loss insurance

# Why Does Fraud Occur

## Common Theories and Motives for Insurance Fraud

1

### FINANCIAL PRESSURE

Monetary pressure is one of, if not the, leading theory as to why someone commits insurance fraud.

2

### GREED

The saying in our industry is 'Greed and Need', particularly relevant in the financial lines space. This motive is often seen for high quantum claims involving corporate clients.

3

### RATIONAL CHOICE

Risk vs Reward, a motivator for fraud in the commonwealth. Fraudsters become encouraged to target insurers as there is no police intervention or perceived punishment.

4

### ENTITLEMENT

Policyholders feel that high premiums and long periods without claiming 'entitle' them to inflate claims and/or commit fraud.

5

### BROKEN WINDOWS

A policyholder who has grown up in a household or community where fraud is accepted will naturally lean towards becoming an 'at risk' customer who commits fraud.

*The reasons why someone commits fraud varies, however the constant in each case is that there is intent from the claimant (motive & justification), opportunity (the claim), and the reward (money). This is commonly referred to as the 'fraud triangle' and a knowledge of these three (3) points is required to improve the ability to both combat insurance fraud and mitigate 'risk' altogether.*



## OTHER NOTABLE MENTIONS:

- ◆ Pygmalion Influence
- ◆ Reactance
- ◆ Advertising Consequence
- ◆ Foot in the Door
- ◆ Moment of Opportunity

# Global Statistics

**A snapshot of the damage insurance fraud is doing to the global insurance sector.**

**80 BILLION**

per year estimated loss across all insurance lines – 'conservative estimate'

**38%**

of people believe insurers can't identify fraudsters

**32%**

of insurers believe fraud is as high as 20% of claims costs

**24%**

of claimants believe inflation is acceptable to make up for excess

**18%**

of claimants believe inflation is acceptable to make up for premiums

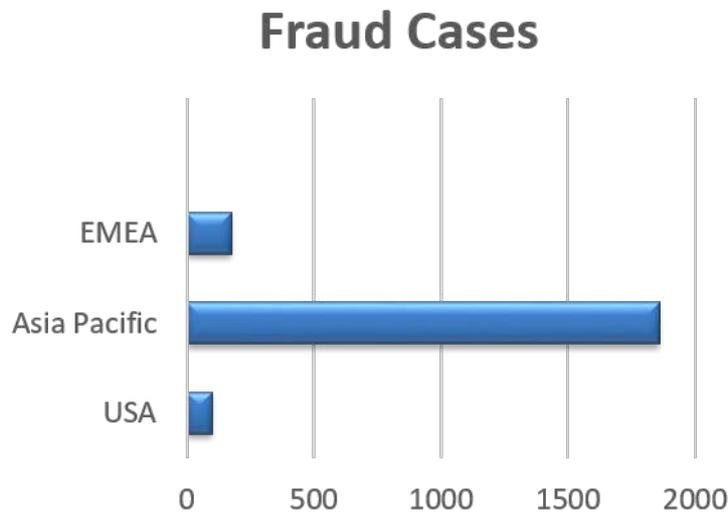
**10%**

of people believe insurance fraud is a victimless offence

*Statistics and data provided by The Coalition Against Insurance Fraud*



# Completed in 2016 by RGA to analyse where insurance fraud appears most prolific:



The limited survey determined that around 3.58% was the global fraud rate with Asia Pacific being the most prolific for fraud risk.

## KEY FINDINGS

- ◆ 1 in 30 claims were identified as fraudulent
- ◆ 37% of insurers never allege fraud, solely relying on misinformation to deny claims
- ◆ 2% of fraud cases end in criminal prosecution
- ◆ Poor fraud investigations can make a claim take 8x longer

## Data contribution:



*Chapter 1*

# DOMESTIC INSURANCE

The investigative blueprint and essential information used by international industry leading experts in motor and contents claims risk.

# DOMESTIC INSURANCE

## Why is This Line at Risk

- ◆ *High volume claim for insurers*
- ◆ *Property is easily transferable and concealed*
- ◆ *Contents are easy to inflate without identification*
- ◆ *Police not interested in investigating due to type of loss (no injury or threat to person)*

## How to Identify Fraud in This Line

- ◆ *CCTV inquiries*
- ◆ *Door knock and witness inquiries*
- ◆ *OSINT (social media, deep web, search engine extractions, databases)*
- ◆ *Investigative interviews (ethical challenges and disproving versions)*
- ◆ *Metadata analysis on proof of purchase/images*
- ◆ *Obtaining and analysing third-party documentation (government reports, quotes, invoices etc)*

## Safeguarding Your Clients

- ◆ *Ensure proof of purchase is maintained for expensive items*
- ◆ *Ensure current photos are taken of expensive items*
- ◆ *Lock vehicles and dwellings when not in use or at night*
- ◆ *Maintain appropriate security generally (CCTV, park vehicles securely, expensive items not visible by public etc)*
- ◆ *Contact police at earliest convenience and identify witnesses to assist*
- ◆ *Monitor online buy/sell platforms regularly for your items*



## What to Look Out For

- ◆ *Lack of forced entry to vehicle or property (evidence of break in)*
- ◆ *Claims history*
- ◆ *Financial pressures (missed vehicle/item payments)*
- ◆ *Security of vehicle/residence (location of vehicle keys, was home locked, lighting, CCTV, parking of vehicle)*
- ◆ *Consistency of information (Police report vs claim)*

## Trends and Insights

- ◆ *Around 50% of motor losses appointed amount to either fraud or recovery*
- ◆ *Usually risk presents for claims involving late nights and animal collisions*
- ◆ *Contents claims that involve expensive items at the bottom of the schedule tend to be at risk of inflation*
- ◆ *Jewellery claims tend to be at risk for fraud/inflation*



*Chapter 2*

# TRAVEL INSURANCE

The investigative blueprint and essential information used by international industry leading experts in travel claims risk.

# TRAVEL INSURANCE

## Why is This Line at Risk

- ◆ *Easy to suffer a 'loss' or have 'medical incident'*
- ◆ *Difficult to obtain information from international third parties*
- ◆ *Competitive line of insurance so endorsements are fruitful*
- ◆ *General attitude is that the line is easy to defraud*
- ◆ *Police not interested in investigating due to international complications*

## How to Identify Fraud in This Line

- ◆ *CCTV inquiries (customs)*
- ◆ *International network of investigators (complete witness/CCTV inquiries)*
- ◆ *Police and government inquiries*
- ◆ *OSINT (social media)*
- ◆ *Investigative interviews (ethical challenges and disproving versions)*
- ◆ *Metadata analysis on proof of purchase/images*
- ◆ *Obtaining pre-existing medical data (x-rays etc.)*

## Safeguarding Your Clients

- ◆ *Ensure proof of purchase is maintained for expensive items*
- ◆ *Ensure current photos are taken of expensive items*
- ◆ *Keep full emails/texts and correspondence for all expenses (hotels etc.)*
- ◆ *Maintain appropriate security generally (don't leave items unaccompanied, keep items in hotel safes)*
- ◆ *Only used approved and reputable guides and tours*
- ◆ *Contact police as earliest convenience and identify witnesses to assist*



## What to Look Out For

- ◆ *Luggage/Medical cover increases prior to travel*
- ◆ *Claims history*
- ◆ *Pre-existing medical conditions*
- ◆ *Lack of third-party involvement (police, hotel staff, reporting incident to management)*
- ◆ *Lack of information on claim (exact loss details)*
- ◆ *Security of luggage generally*
- ◆ *Consistency of information (police report vs claim)*

## Trends and Insights

- ◆ *High risk claims include – medical in Indonesia & Philippines and travel claims involving electronic equipment and jewellery*
- ◆ *Every country is different on their service level to insurance (customs etc.)*
- ◆ *International investigative network paramount to success*
- ◆ *Policies with luggage/medical cover increases should be reviewed*
- ◆ *Claims involving extended stays using online marketplace rentals may be at risk of inflation*



*Chapter 3*

# CYBER INSURANCE

The investigative blueprint and essential information used by international industry leading experts in Cyber claims risk.

# CYBER INSURANCE

## Why is This Line at Risk

- ◆ *Cybercrime is in many ways 'a silent enemy'*
- ◆ *It can be difficult to quantify the origin of cyber crime and overall loss*
- ◆ *There is a lack of industry skill in the identification, investigation and prosecution of cybercrime*
- ◆ *Cybercrime is everchanging and evolving*
- ◆ *Humans are becoming increasingly reliant on third-party servers (Alexa, Siri) which can be corrupted*

## How to Identify Fraud in This Line

- ◆ *Perform expert forensic examination on devices*
- ◆ *Perform external penetration testing*
- ◆ *OSINT (social media, deep & dark web)*
- ◆ *Investigative Interviews (Ethical challenges and disproving versions)*
- ◆ *Metadata analysis on all documents provided*
- ◆ *Obtain DNS records, browser history, cache, cookie data bank accounts etc*
- ◆ *Examine third-party documentation*

## Safeguarding Your Clients

- ◆ *Ensure customer networks are adequately secured and receive regular testing and you have a digital exit strategy*
- ◆ *Ensure you maintain bit-by-bit backups on all data so you can return to a "point in time" situation*
- ◆ *Upgrade your operating system and devices with the latest patches*
- ◆ *Do not conduct any kind of financial or trust related transaction via email. Email was not intended for business, and should only ever be used as a second level communication protocol*
- ◆ *Document and understand your cyber policies and procedures so you can demonstrate this to an insurer*
- ◆ *Engage in continuous testing of your network (including documentation of such) and only carry out recommendations from reliable sources*

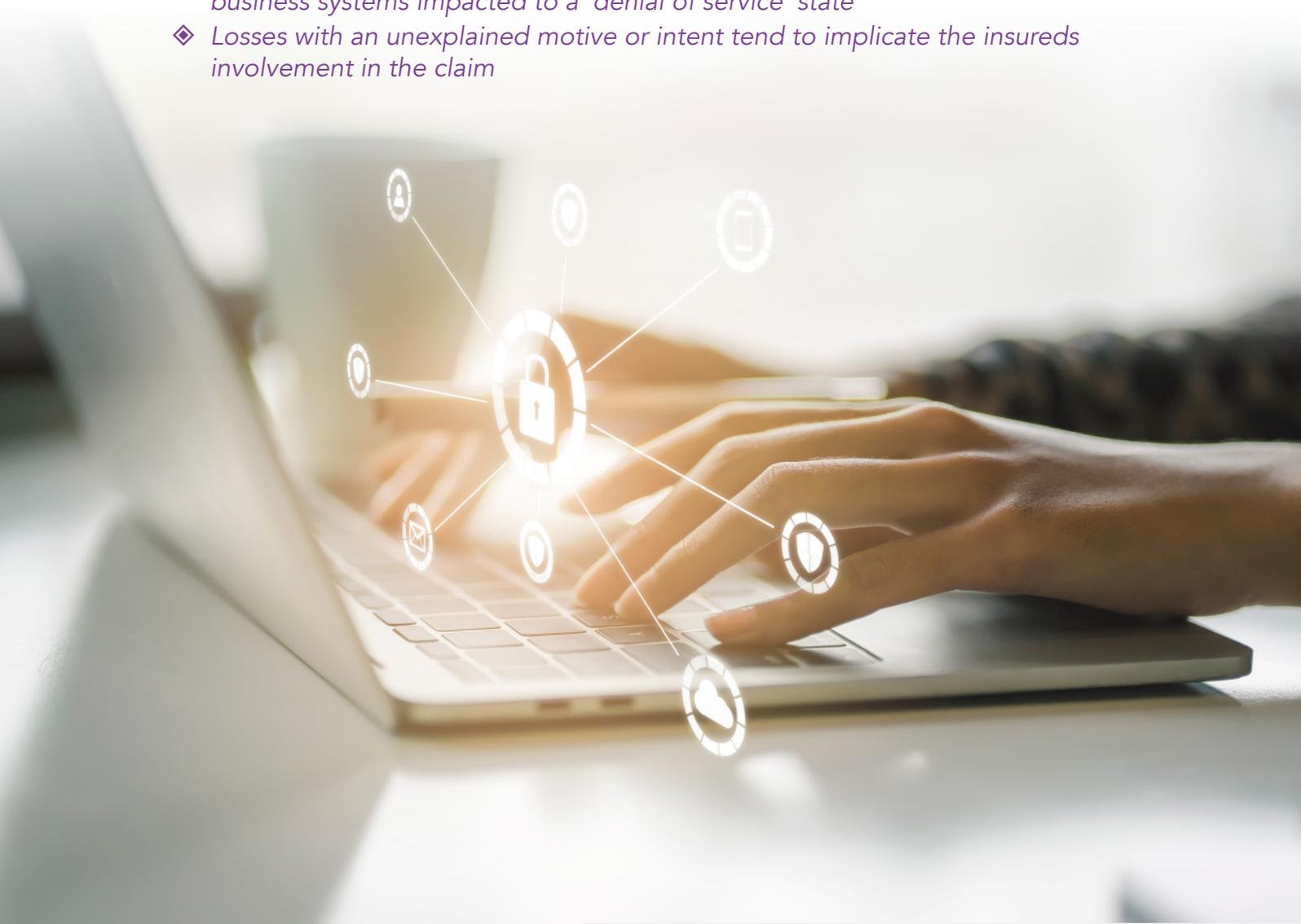


## What to Look Out For

- ◆ *Financial pressures prior to claimable incident*
- ◆ *Claims history*
- ◆ *Lack of internet browser history and data holdings/backups*
- ◆ *Signs of disgruntled relationships that may warrant disruption of theft of IP/ confidential information*
- ◆ *The overall IT knowledge and technical IP of the claimant - capabilities to commit fraud*

## Trends and Insights

- ◆ *Around 90% of cyber breaches are 'insider' attacks or involve a person known to the victim*
- ◆ *Many cyber breaches are due to negligent security protocols such as password sharing*
- ◆ *Risk in this line is often seen where business interruption is also claimed – rarely are business systems impacted to a 'denial of service' state*
- ◆ *Losses with an unexplained motive or intent tend to implicate the insureds involvement in the claim*



## *Chapter 4*

# **BUSINESS INSURANCE**

The investigative blueprint and essential information used by international industry leading experts in SME insurance including material damage and business interruption claims risk.

# BUSINESS INSURANCE

## Why is This Line at Risk

- ◆ Can aid financial relief for struggling businesses
- ◆ SME can alter their own accounts via accounting software
- ◆ Staff have knowledge of security systems and stock procedures
- ◆ Staff can easily manipulate stocktakes etc to inflate claims

## How to Identify Fraud in This Line

- ◆ Financial and Forensic examination (review SME accounts, stocktakes etc.)
- ◆ Business company inquiries (previous liquidations etc.)
- ◆ Credit reviews
- ◆ CCTV and Witness inquiries
- ◆ Police and Government agency inquiries
- ◆ OSINT (social media)
- ◆ Investigative Interviews (Ethical challenges and disproving versions)
- ◆ Metadata analysis on proof of purchase/images

## Safeguarding Your Clients

- ◆ Ensure business accounts are reviewed by Chartered Accountants if complex
- ◆ Keep accurate and detailed information regarding stocktakes, maintenance records and stock movement/purchases
- ◆ Ensure the use and maintenance of CCTV and other security parameters
- ◆ Asset list or proof of purchase is maintained for expensive items
- ◆ Ensure current photos are taken of expensive equipment
- ◆ Contact police as earliest convenience and identify witnesses to assist
- ◆ Have a Business Continuity Plan (BCP) to enact post loss if required



## What to Look Out For

- ◆ *Policy increases close to loss event*
- ◆ *Financial hardship – recent liquidations, credit issues etc*
- ◆ *Decrease in industry trade (meat prices lowering etc.)*
- ◆ *Drastic changes in accounts leading up to loss event*
- ◆ *Lack of security parameters*
- ◆ *Involvement of staff*

## Trends and Insights

- ◆ *This is a high-risk line for inflated claims*
- ◆ *Stock theft claims often involve internal staff who weren't vetted properly*
- ◆ *The appointment of experts can drastically reduce BI claims through forensic analysis of accounts*
- ◆ *Police often do minimal investigations and the appointment of insurance investigators can assist having matters progressed criminally*
- ◆ *Industrial and construction losses tend to involve organised crime, particularly plant and machinery claims*



## *Chapter 5*

# LIABILITY INSURANCE

The investigative blueprint and essential information used by international industry leading experts in broad form insurance including liability and public/professional indemnity claims risk.

# LIABILITY INSURANCE

## Why is This Line at Risk

- ◆ *Improved public knowledge of liability cover for businesses who test policies for a pay-out*
- ◆ *Medical evidence is very subjective for liability claims involving 'injury'*
- ◆ *Staged accident rings can become complex and hard to investigate*
- ◆ *Claims are often resolved for 'nuisance' amounts which encourages others to test the policy*

## How to Identify Fraud in This Line

- ◆ *Industry information exchange databases*
- ◆ *Obtain private auto dashcam footage (useful in logistics and transport injuries etc)*
- ◆ *OSINT (social media, deep and dark web)*
- ◆ *Detailed recorded statements from all parties*
- ◆ *Obtain all original documentation to rule out altered documents*
- ◆ *Detailed interviews with all parties to form a 'whole-story' understanding of the event*

## Safeguarding Your Clients

- ◆ *Call police while on scene or as soon as 'reasonably practicable', not days later*
- ◆ *If safe to do so, use your phone to film the scene after the loss or incident. This should document vehicles, damage, weather, loss location, number of people on scene, etc.*
- ◆ *Gather information (full names and phone numbers) for all witnesses at scene or accident*
- ◆ *Ensure accurate data holdings, retention of information and CCTV to assist claim inquiries*
- ◆ *Ensure the use of CCTV and dashcams to protect policy holders and their businesses*



## What to Look Out For

- ◆ *Vague facts of loss/incident resulting in claim*
- ◆ *Claims that fail 'the reasonable person test'*
- ◆ *Incidents that occur out of technology range (reception, CCTV view etc)*
- ◆ *Inconsistencies between claim and police data holdings*
- ◆ *No police involvement even though injuries/damages reported to insurance carrier*

## Trends and Insights

- ◆ *Fraud can occur in many forms in liability claims from first to third party, don't narrow your focus to one potential scheme*
- ◆ *Smaller police jurisdictions are often interested in assisting liability claims*
- ◆ *Stay on top of the everchanging social media trends to aid you in your claim investigations*
- ◆ *Mobile Phone records are a great way to confirm timelines surrounding the loss and potentially connect parties who claim to be unrelated*



## *Chapter 6*

# ORGANIZED CRIME

A look into the risk for insurers due to organized crime and how insurance fraud is everyday business for both criminals and opportunists.

*The biggest difference between South Africa from other countries, is that crimes tend to involve higher violence across all lines. We continue to see large numbers of murder-for-money syndicates in funeral and life insurance.*

*– Garth De Klerk, CEO - SAICB*



Organised crime represents a severe risk for insurance agencies and is a huge societal impact for which, as business, we must account for and take responsibility. Despite the strong internal disciplines and processes organisations implement individually to combat fraud, it is imperative that you develop an industry-level view/approach to be truly successful in fighting Organised Crime Syndicates.

The SAICB are a global industry stronghold on the fight against organised crime. Their ‘secret weapon’ - bringing together the collective resources of insurance companies, law enforcement agencies and other stakeholders to facilitate the detection, prevention, and mitigation of insurance crimes, as well as to assist in the prosecution of repeat offenders and fraudsters through ongoing insurance fraud investigations.

Success brought upon by collective mindset and cross sector ‘data sharing’ that has proven results, yet many areas including the Commonwealth fail to implement this strategy due to compliance, ‘red-tape’, poor attitudes, and many other reasons.

Fraudulent activity involving organised crime is costly, heavily funded and completed with little concern for due process. Perhaps the scariest part is that claims arising from ‘OC’ are more common than you think. These acts have both a negative impact on the growth and development of insurers as well as premiums paid by clients. In our mind reason enough for areas such as the Commonwealth to adopt similar processes to the SAICB.

While both Government and Business continue to optimise their individual and joint responses to counter crime, it has become clear that these efforts are insufficient to deal adequately with the problem. The threats posed by these offences consequently require an increased level of commitment and coordination within the insurance industry.

The Insurance Crime Bureau in South Africa, much like the National Insurance Crime Bureau in the USA, have clear and similar visions: to achieve success against OC and insurance fraud through the consolidation of multiple data sources and the deployment of relevant, specialised skills along with unique technology. All this is aimed at promoting collaboration and providing intelligence to detect and prevent insurance-related fraud and crime, with the end goal of obtaining convictions and recoveries.

## Types of OC investigations:

- ◆ *Schemes involving staff, service providers, clients, brokers, assessors, doctors, mortuaries etc.*
- ◆ *Serial & habitual claimants.*
- ◆ *False Incident & Accident staging.*
- ◆ *Hijacking, Theft and Cloned vehicles.*
- ◆ *ID Theft & Impersonation.*
- ◆ *Fast-track claims.*
- ◆ *Walking dead & false death claims.*
- ◆ *Murder for Money.*

*THE FUTURE OF FRAUD*

# EMERGING RISKS

What the outlook for insurance and  
fraud risk looks like as we move  
into the digital world.

# Fraud In The Future

*Technology improves the ability to obtain accurate and available intelligence which is crucial in mitigation of risk. Better to have systems in place to stop fraud at the front door then deal with it once its already inside*

– Garth De Klerk, CEO - SAICB



This e-guide has highlighted the risk around ‘cyber insurance’ generally. However, the digital world constantly puts pressure on the insurance sector to evolve from a legacy industry into a technology-centric machine.

The industry by and large has a pessimistic outlook, driven by fear of jobs being replaced with artificial intelligence. The optimist understands that insurance will always rely on human involvement and technology stands to improve some processes and the product generally. Specifically, for claims and insurance fraud, it is truly the double-edged sword.

## The Pros:

- ◆ *Improves speed of insurance claims*
- ◆ *Data is easily obtained to assist claims*
- ◆ *Maturity of technology improves analytical and predictive fraud software capabilities*

## The Cons:

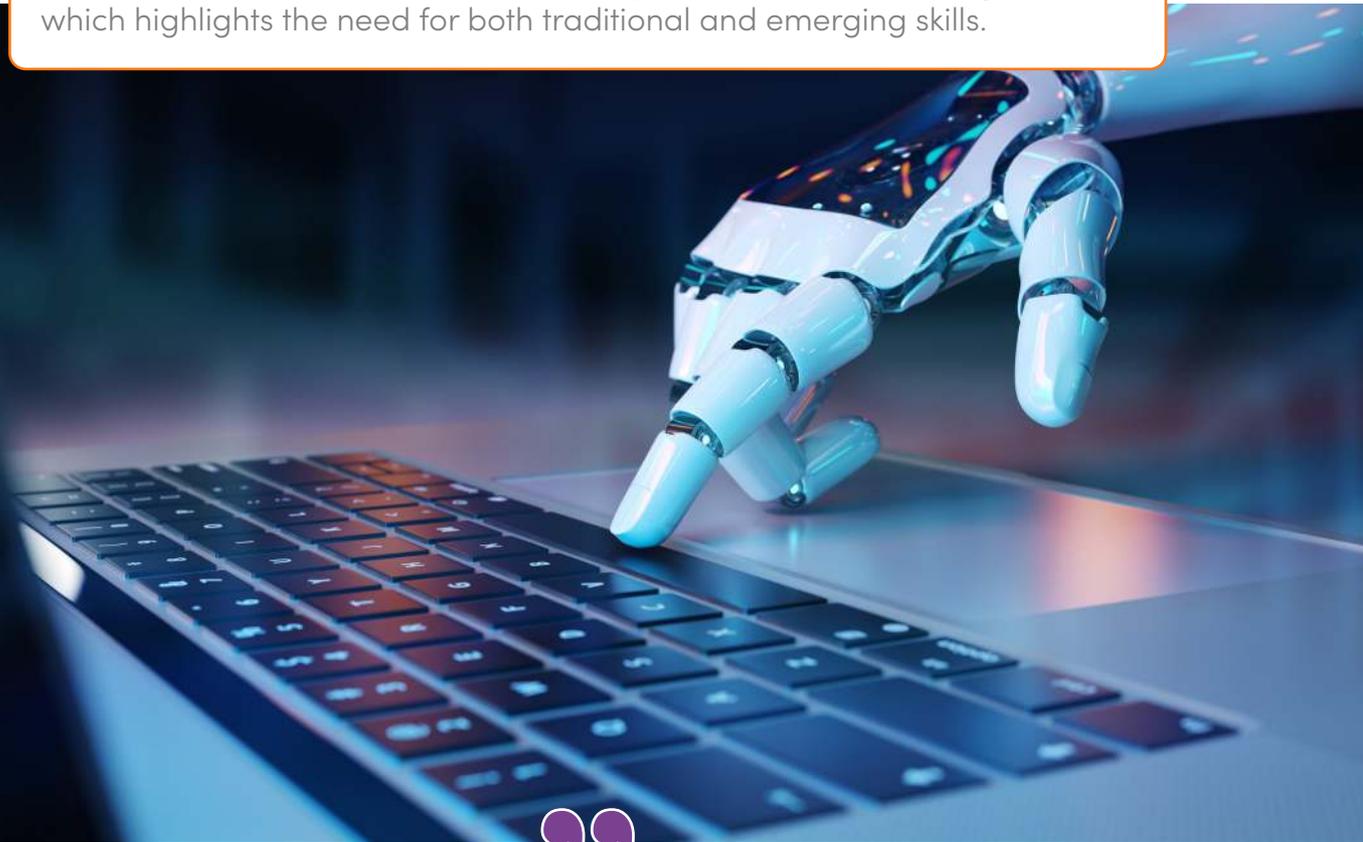
- ◆ *Less human interaction encourages fraud*
- ◆ *Investing in emerging software can be costly*
- ◆ *Humans lack understanding in ‘tech’*
- ◆ *Fast insurance is attractive to fraudsters*

From an investigative perspective, it is merely a case of pivoting from some traditional techniques and becoming skilled in digital processes. The digital world presents both opportunities and hinderances to investigations, so it is merely the case of adapting to the digital arena of open source intelligence and automation or continue with analogue ways which will become obsolete.

# PAST VS PRESENT TECHNIQUES

- ◆ Interviews
- ◆ Witness Statements
- ◆ Forensic Accounting
- ◆ Basic Databases
- ◆ CCTV Measures
- ◆ Human Source Cultivation
- ◆ Social Media & OSINT
- ◆ GPS Tracking
- ◆ Advanced Databases
- ◆ Telco Data
- ◆ Covert Devices
- ◆ Drones
- ◆ Automated Systems
- ◆ AI & Machine Learning

**IMPORTANT:** The bold denotes an overlap in what current investigation use which highlights the need for both traditional and emerging skills.



*Insurance Technology currently faces issues with education and definition. In my mind it is more a cyber risk to be misinformed than not to be informed at all. I have serious concerns for insurers as fraud is based on a challenge of human perception*

*– Simon Smith, CEO – Evestigator*

# Digital Footprints

*The age of data and its value is becoming increasingly important in the fight against insurance fraud. With the advancements of technology, machine learning, and automation, household products can and will become a stakeholder in vital data to both assist claims and investigate potential fraud*

*– Matthew Smith, Executive Director – CAIF*



## WHAT DO YOUR APPLIANCES KNOW ABOUT YOU?



*“Your friendly little Roomba could soon become a creepy little spy that sells maps of your house to advertisers.”*



## *Chapter 7*

# IDENTIFYING FRAUD

Become your own detective using these simple tips and tricks when speaking with your claimants and triaging claims.

# Phone Inquiries

Some useful strategies to improve your phone inquiries and overall ability to obtain vital claim information.

## ACTIVE LISTENING

Look for how the customer tells the story and identify if they are shifting from past to present tense or their sentence utterance is varying.

### Active Listening



Free Recall    Notetaking

## ENCOURAGE FREE RECALL

Ensure open ended questions and try to use a 'whole-story' approach. Don't be afraid to say, 'Tell me about that?' to explore and dissect their responses.

## NOTETAKING

Follow an interview plan and take notes whilst they explain the claim. This gives you ammunition for clarification questions and ethical challenges during your inquiries.

*Be sure to consult with an expert for an understanding on 'how' to conduct ethical challenges and effective probing during phone inquiries*



# OSINT Inquiries

Some useful options to improve your Open Source Intelligence Inquiries when assessing and triaging claims.

## SOCIAL MEDIA

Tools such as 'Octoparse' or 'Socinator' can be used to scrape data from social media platforms relevant to your claim. Otherwise, give it a go for yourself!

### Social Media



## DEEP WEB

This refers to databases and holdings not available to the public that can often be accessed through consent from the claimant. Justice records are a good example!

### Deep Web

### Public Data

## PUBLIC DATA

This refers to any data available by means of a 'google search'. Company information, insolvencies, mercenary reports etc. that are all public domain can greatly assist insurance claim assessing.

*Be sure to understand applicable laws and regulations around privacy and security prior to any intrusive data scraping – if in doubt consult with an expert!*



# Conclusion

Insurance fraud is here to stay- the way in which it is carried out may vary, but the pillars of the 'Fraud Triangle' will always remain. Criminals will capitalise on environments where holes are created, or new automated and online processes appear.

Enhancing awareness of what insurance fraud means to the collective insured is paramount. Not all customers will commit fraud (80%), and those that do (20%) may do it only once. Only 1-2% of these 20% may face prosecution. As the penalties often do not fit the cost of the crime, the best weapon for the insurer is a public knowledge that 'fraudulent claims will be detected and declined'.

This e-book has highlighted the fact insurance products are becoming more personalised and the insurance process more reliant on automation. This emphasises the need for collaboration, education and data analysis to help the war against insurance fraud.

P

Promote awareness and understanding of how insurance fraud affects all involved

O

Open data and communication channels for collaborative industry analysis of fraud

P

Prosecute frauds that are shown to have been committed intentionally

If you want more information, clarification, or expert advice – contact our team at ISACORP. We have a global network of insurance experts ready to help.

**DISCOVER MORE**



# Appendix & Resources

<https://www.censere.com/index.php/en/articles/698-increased-financial-stress-and-fraud>

<https://www.allbusiness.com/greed-and-need-as-motivators-to-commit-fraud-4969123-1.html>

<https://www2.deloitte.com/us/en/insights/industry/public-sector/fraud-waste-and-abuse-in-entitlement-programs-benefits-fraud.html>

<https://corporatefinanceinstitute.com/resources/knowledge/accounting/fraud-triangle/>

## Statistics and Data Obtained From:

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[www.isacorp.co.nz](http://www.isacorp.co.nz)

