

TYOLOGY – SUSPECTED INSURANCE FRAUD

EXTRACT FROM THE FIUTT STRATEGIC ANALYSIS CASE COMPILATION 2015 - 2020

Typology

7. Suspected Insurance Fraud

Mr. X has an insurance policy issued for his motor vehicle, TDI 1234, from Insurance Company “A”. Mr. X then proceeds to obtain additional insurance policies on the same vehicle from Insurance Company “B” and Insurance Company “C”. These three insurance policies are all “fully-comprehensive” and all are insured for the same period.

Mr. X. subsequently produces a claim to Insurance Company “A” for his vehicle which was purportedly involved in a motor vehicular accident. Photographs are provided to show the extent of damage to the vehicle and are submitted along with a copy of the Police Report and an estimate for repairs from an auto-body shop. Insurance Company “A” deems the vehicle unrepairable and as such categorised as being “written-off” and proceeds to make a cheque payment to Mr. X.

Mr. X then proceeds to file the identical claim to Insurance Company “B” and Company “C” with the same accompanying documents. Both Insurance Companies “B” and Company “C” also deem the vehicle unrepairable and

Suspected Offence	Fraud; Forgery
Customer Type	Individual; Group
Industry	Insurance
Channel	Cheque
Jurisdiction	Local

“written-off” and both proceed to make payments to Mr. X via cheques. Further analysis reveal that Mr. X is in collusion with other parties including Auto-body Shop “Z” where the repair estimates were issued and the valuation provided by the auto-body shop was also deemed to be overestimated. **Diagram 5** illustrates the fraudulent technique.

Suspicious Indicators

- Insurance policies taken out from different insurance companies on the same vehicle;
- Claims submitted to the different insurance companies for damages to the vehicle arising from the same accident; and
- Cheques received from several companies.

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DIAGRAM 5 SUSPECTED VEHICLE INSURANCE FRAUD

