

INSURANCE FRAUD IN MOTOR VEHICLE DAMAGES INVOLVING PERSONS FROM INSURANCE COMPANIES

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Abstract

In practice, proving insurance fraud in motor vehicle damages is relatively hard; especially when people from insurance companies are involved in it. Most often, assessors of damage to motor vehicles are one of the first who are supposed to identify damages that are not subject to compensation, i.e. damages that would not be able to occur in the vehicles. To reduce insurance fraud, through specific examples of participation of persons from insurance companies, in this paper, a few cases are examined in which it has been identified that persons from insurance companies participated, and they gave their own personal input in unfounded payments of damages.

Keywords: insurance fraud, motor vehicles, comparative analysis of evidence, participation of a person from the insurance companies.

1 Introduction

Insurance fraud has existed since long time ago, since the very beginnings of insurance as an occupation. In practice, recognizing and proving insurance fraud in insurance is relatively difficult. There is fraud in all spheres of the occupation, and a part of them concern motor vehicle damage.

Insurance processing has the character of mass operations, so experts need to be prepared immediately through certain indicators to recognize possible scams and provide as much quality evidence as possible so that a correct decision can be made in the process of liquidation of the damage. Quality evidence in the event of expertise and decision-making in court proceedings is very important in the process of proving fraud.

In practice, appraisers are often the first filter when it comes to motor vehicle damage. They should first identify possible damages that could not have been damaged in the reported event. It is necessary for the damages that could not occur in the reported event to be documented through a sufficient number of quality photographs and to make sure to provide other relevant evidence for resolving the claim for damages and possible court proceedings. If the illogical damage is not identified at the beginning, later the vehicle parts are dismantled, the damaged parts are recorded, the damage is recorded and later in the liquidation process, it is relatively difficult to recognize the fraud and often such damage ends up being paid.

The work in the field of recognizing fraud in insurance becomes even more difficult when the fraud involves persons of the insurer, i.e. assessors/liquidators of damages who, as a rule, should identify and prevent these crimes. People who are employed in the insurance company know the operating system of the insurance company relatively well, so in such circumstances, the process of identifying and detecting scams becomes even more difficult and requires a lot of effort through analyses and monitoring of work

through a relatively large number of cases as to how the possibility of an unintentional human error that may occur in certain cases could be eliminated.

The proof of the involvement of persons from the insurance company is based on analyses of damages, information, research, a relatively large sample of cases, etc., which should be documented and used to prove that there is the involvement of persons from the insurance company in this type of crime.

This paper presents several characteristic examples from the practice where it was concluded that persons from the insurance company were involved in the fraud.

In addition, only some of the characteristic examples from the mass processing of cases where the involvement of persons from the insurance company in fraud in motor vehicle damages has been determined are given.

2 Examples Of Fraud in Damages Of Motor Vehicles With Participation Of Persons From The Insurance Company

Below are some typical examples of insurance fraud involving insurance companies in motor vehicle damage.

2.1 Example 1

Example 1 deals with an alleged traffic accident reported by a European report. The vehicle was in vehicle waste. The front right tire was flat and traces of it showed that the vehicle had been out of service for a relatively long time. Due to the initial suspicion of a fake traffic accident, research was conducted based on which it was determined that the same vehicle had been previously reported as damaged, and the case was processed by the same employee in the insurance company. The employee of the insurance company during the processing of the case made a series of photos whose time interval was in a few minutes (determined by the “properties” in photos). Analysis of the photographs has shown that at the beginning of the photograph the front right light (headlight) is not damaged, and in the second half of the photographs, it is damaged. This showed that the front right light (headlight) was damaged during the inspection of the damage, which, among other indicators, led to the suspicion that the employee of the insurance company was also a participant in the fraud. Photo 1 shows that the front right wheel was out of operation for a relatively long time, so in that sense, it could not have been involved in a car accident for a relatively short time, and the same photo shows that the front right light (headlight) has not been damaged.



Figure 1. The wheel has been out of operation for a long time and the front right light is not damaged

The next figure shows that during the shoot, in a relatively short time interval, the damaged front right light (headlight) appears, which indicates that the front right headlight (headlight) is damaged while the employee of the insurance company was spying and photographing the vehicle, and not in an alleged traffic accident.

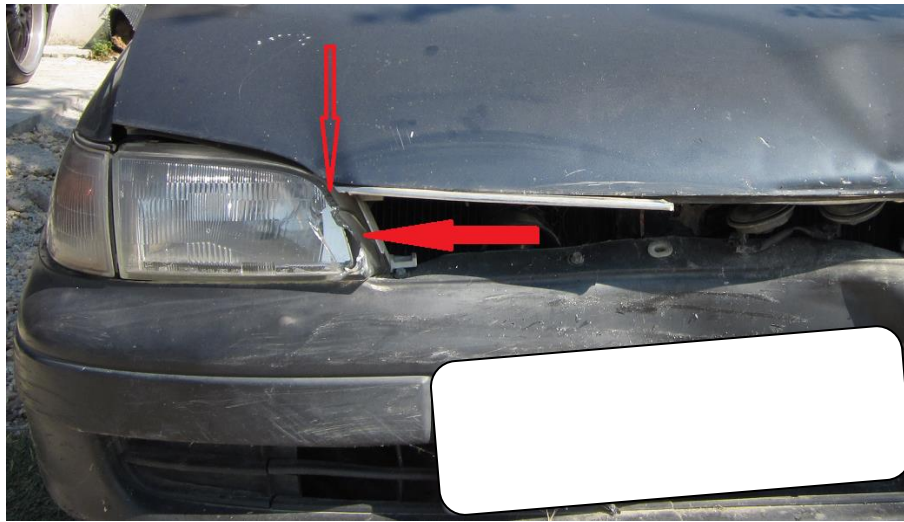


Figure 2. Damaged front right light

The photos below show the vehicle with reported damage previously compared to the damage in question, where it can be seen that it is the same damage. This shows that the vehicle in question from the first to the second damage was not even repaired. The vehicle was used to recharge the insurance premium.

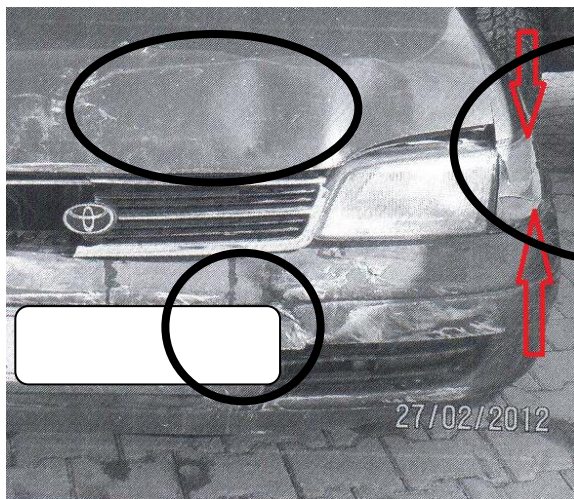


Figure 3. First damage



Figure 4. Second damage

2.2 Example 2

Example 2 shows where the employee of the insurance company used photos of old objects or previously taken photos. The analysis showed that the vehicle was reported as damaged twice during the year where the front windshield of the same vehicle was damaged. Analysis of the vehicle's damage, as well as the vehicle's position in space, the outline of the clouds, the shadows on the front cover (hood), analysis of the environment, and the damage to the front windshield, determined that there was no second occurrence of damage to the vehicle, although such damage was reported and charged. Photos 5 and 6 show that all the details of the vehicle, the space, and the surroundings are identical, and it is about different objects, in different periods. Hence, it was concluded that there was no second damage to the vehicle, while the first

one could not be determined with certainty. For the second damage (the second case) photographs taken while photographing the first damage (the first case) were used.



Figure 5. The first damage reported and charged for the front windshield



Figure 6. The second damage reported and charged for the front windshield

2.3 Example 3

Example 3 shows a vehicle owned by an insurance company employee. This vehicle had seven different damages worked on by the same employee of the insurance company. Initially, the first few damages (cases) were caused by the employee of the insurance company, and later the vehicle was changed by several different owners. All damages (cases) were worked on by the same employee in the insurance company. Photos 7 and 8 show that in June 2012 and June 2013, the same vehicle had the same damage to the front windshield with identical damage, which is practically impossible.

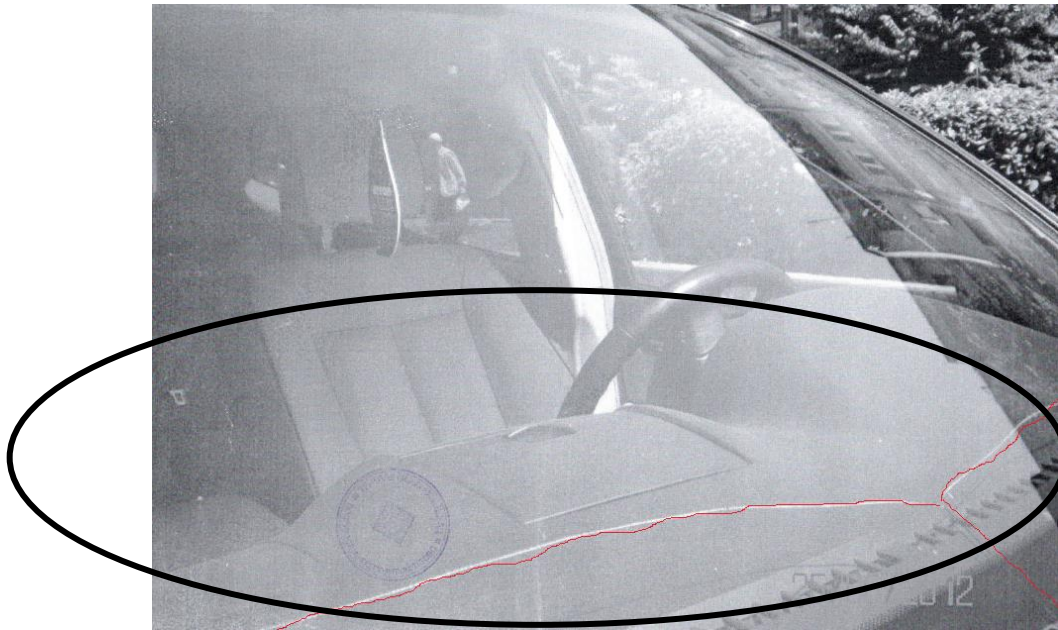


Figure 7. The first damage reported and charged for the front windshield

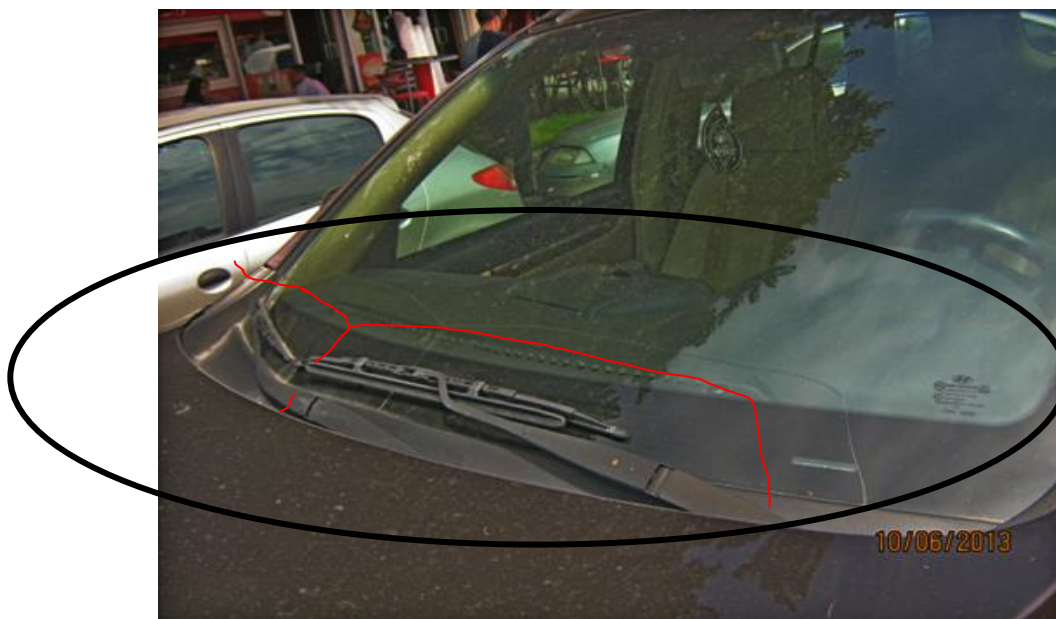


Figure 8. The second damage reported and charged for the front windshield

2.4 Example 4

In example 4, based on the analysis of cases, it was determined that in several cases the same damages were reported for two different vehicles. The research found both vehicles. The vehicle with the license plate "X" is the vehicle Mercedes C220, and the vehicle with the license plate "Y" is the vehicle Mercedes C200. Except for the markings on the back cover, as well as the construction (performance) of the exhaust in terms of exterior, both vehicles are identical.

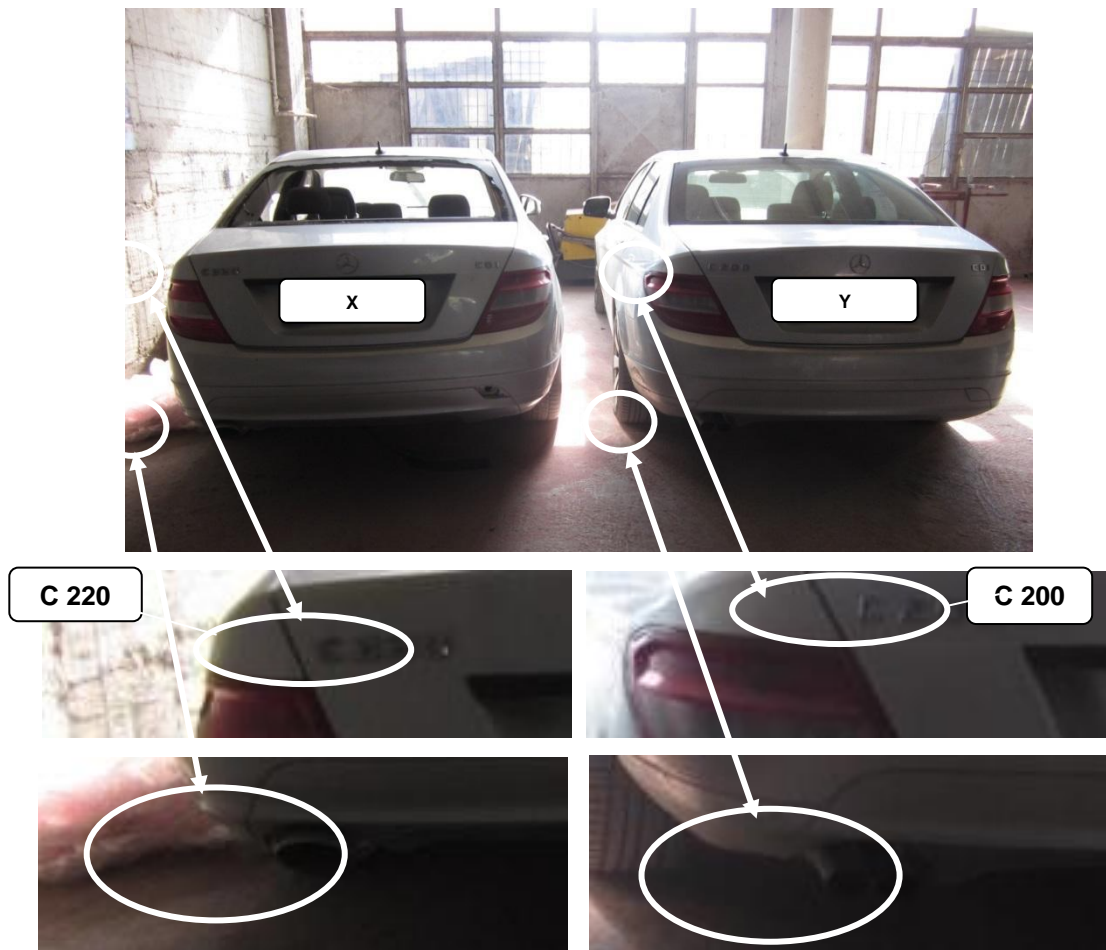
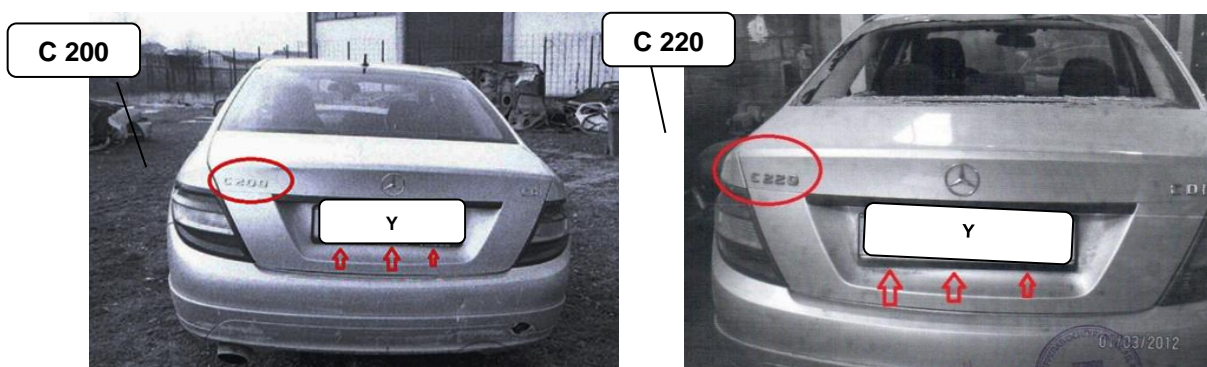


Figure 9. Vehicles Mercedes C220 and Mercedes C200

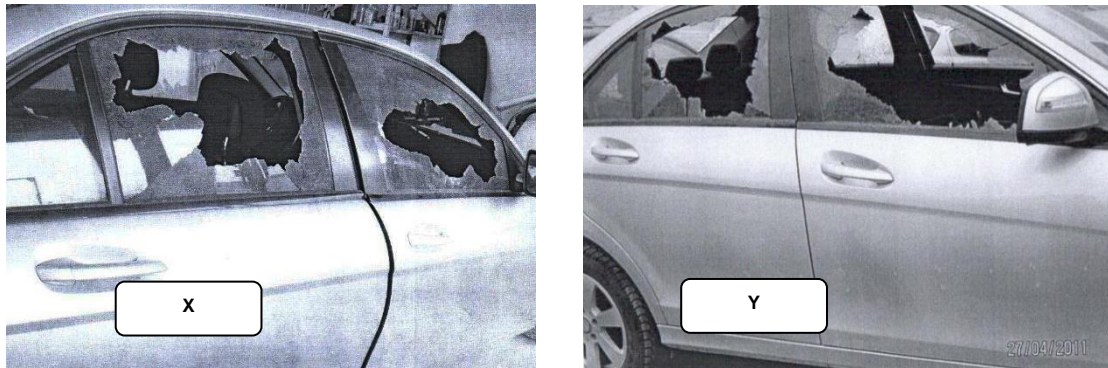
In light of this, the license plates of the vehicles have been changed, and by necessity, the chassis number of the other vehicle has been photographed so that the damage to the documentation can be formally completed with photographs.



Figures 10 and 11. The same license plate in several cases of reported damages

In this way, more damages have been reported (claims for damages have been submitted) for damaged windows, damage to the body of the vehicle, etc., so that license plates from one vehicle are placed on another vehicle. In this way, when searching the computer system, the vehicle could not be found because another vehicle was formally reported to be damaged (different owners, different license plates, different chassis numbers, etc.). Such fraud in practice is not possible without the participation of a person employed by the insurance company because according to the procedures in some cases it is necessary to

photograph the chassis number of another vehicle, and such a mistake cannot be made unintentionally. Below are photos that serve as an example of how damage is repeatedly charged using the same vehicle.



Figures 11 and 12. “Two different vehicles” with the same damage

Conclusions

One of the most important links in the process of compensation for insurance damages in motor vehicles is the employees/professionals in the insurance companies who in most cases are the only persons from the insurance companies who have contact with the vehicle during the immediate inspection of vehicle damage.

Employees know the operating system of the insurance company relatively well, so in such circumstances, the work of identifying and detecting fraud becomes very complex if people from the insurance company are involved. Identifying such cases requires relatively great effort and monitoring of the work through several cases, gathering evidence, etc., to eliminate the possibility of unintentional human error that may occur in some cases.

In practice, controls are needed that would first identify the possible existence of unfounded claims for damages, and then require team research, evidence collection, analysis, and expertise on a relatively large number of cases to conclude whether employees in the insurance company participated or not.

References

The study used its own case studies.

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