

## DILEMMA: SET-UP TRAFFIC ACCIDENT OR NOT

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### Abstract

Recognizing and proving of set-up traffic accidents, and with that fraud in insurance, represents a relatively complex and extensive procedure in which an analysis of all material evidence that is available is needed to properly determine the factual situation, i.e. to confirm whether the accident could have happened as described, whether certain damages could have happened, etc. The confidentiality of the analysis made in terms of confirming the reliability of the damaging event, as well as certain damages, depends on the quality of the material evidence that is available and the evidence that could potentially be obtained. The case study contains a specific example where during the initial phase of evidence processing, there were doubts that this was a set-up accident, but after fully processing the evidence during the damages compensation procedure, it was determined that it was in fact, a real traffic accident, which proves that damage estimation professionals in insurance companies, as well as forensics, when laying out their findings and opinions, should possess an exceptionally high level of knowledge and skills in order to correctly establish the actual situation.

*Keywords:* Insurance, analysis, damages, fraud, expertise, evidence, vehicles

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### 1. Introduction

Insurance fraud has existed from the very beginning of the insurance business. One of the major dangers of insurance funds is the threat of malicious use of insurance or insurance fraud. Insurance fraud can occur in a variety of aspects of the insurance business such as insurance coverage, insurance marketing, financial management, costs, accident set-up, etc. Typically, insurance frauds refer to damages that did not occur in an accident that is the subject of insurance claims, damages caused in an accident, but additional damages are set up in order to increase insurance payments, etc.

In practice, a relatively large number of damage claims are processed daily, a large number of damage reports, photographs, a relatively large number of replacement parts are listed, repairs and controls, etc. Therefore, damage assessment professionals need to be prepared at the initial inspection to immediately identify possible fraud and thereby document all damage in the further proceeding through a larger number of quality photographs, measurements, etc., as well as provide as much quality evidence as possible in order to make the right decision in the damages process. Providing quality evidence is of the utmost importance for any expert examination and decision-making in the fraud-proof process. Accordingly, there is a clear need for specialized expert knowledge and experience of the assessors in the relevant field based on which further reliance on the quality management of the damages process can be depended upon, and in particular on damages where indicators are suspected of insurance fraud. This is particularly important as appraisers are often the first filter, and often the sole filter when it comes to planting damages because they are the ones who should first identify any damage that could not have occurred to the vehicles and document it appropriately through a large number of quality photographs as well as providing

other evidence. It should be kept in mind here that if at the first inspection no illogical damage is identified, the vehicle is dismantled later, inventory of the damaged parts is made, a vehicle damage report is made, and thereafter, in the process of liquidizing the vehicle, the damage recognition fraud relatively more difficult and such damages may end up being paid out, or conversely, there may be a situation where the claim for damages has been rejected and the traffic accident has not been a set-up.

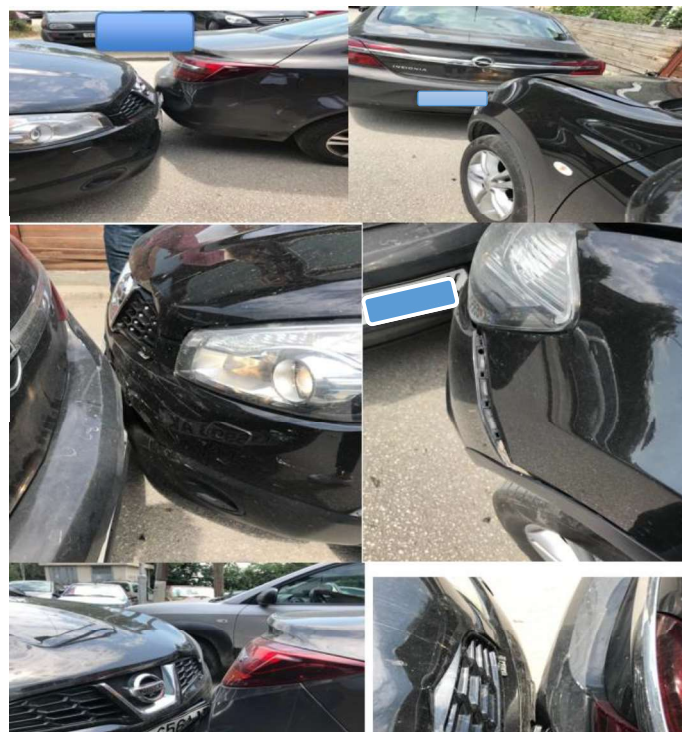
The moral qualities of appraisers and particularly good knowledge of the profession are of paramount importance, and the identification and detection of fraud require relatively greater effort through analysis to eliminate the possibility of unintentional human error that may occur in certain cases.

This paper presents a characteristic example of practice, showing a situation in which at first there was a suspicion about the occurrence of damages in the accident in question, and then it was established that they could still occur in the manner in which they occurred.

**2. Characteristic Example**

In accordance with the operating procedures of the insurance company in the indemnification procedure, a claim for damages was first filed for which a European accident report was completed with all the necessary documentation and the vehicles were brought for immediate comparative examination regarding damage to vehicles, and whether they correspond to the statements given by accident participants to determine the cause and effect relationship, whether damages correspond, how and whether there is a well-founded claim for damages. Participants in the accident also provided photographs of the scene. The accident involved passenger motor vehicles Opel Insignia and Nissan Qashqai.

Photos of the accident that were provided by the participants in the accident are shown below.



**Figure 1.** At the scene (a)



Figure 2. At the scene (b)



Figure 3. At the scene (c)

Below is a snapshot of the comparative insight of the Nissan Qashqai and Opel Insignia.

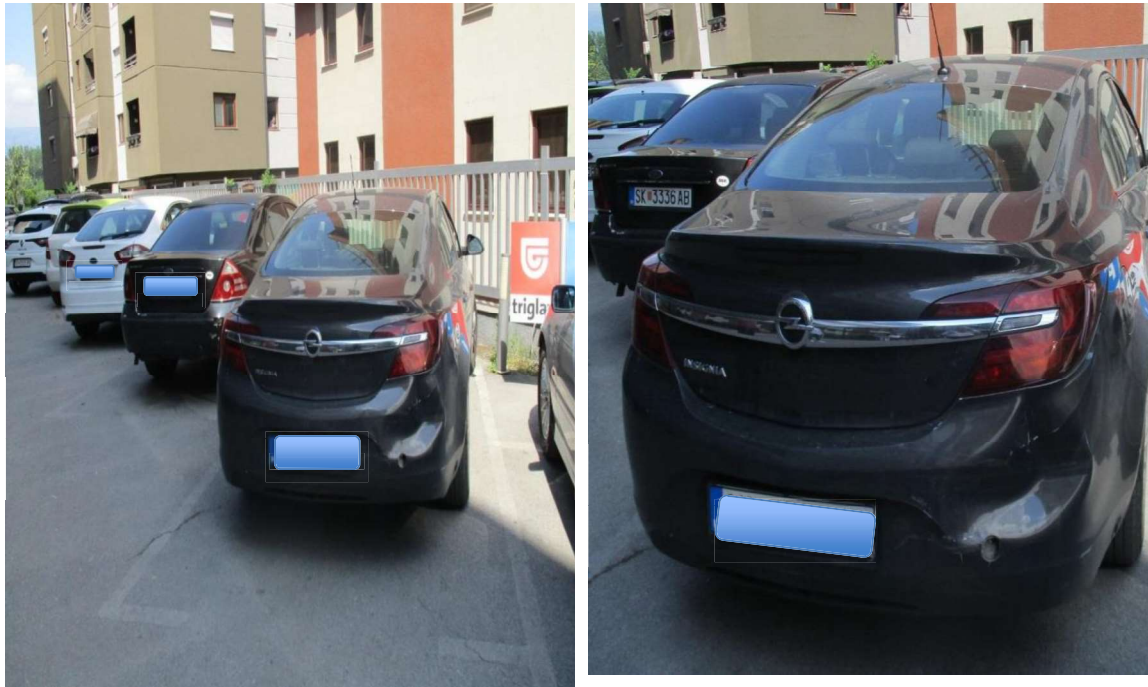


Figure 4. Opel Insignia



Figure 5. Nissan Qashqai

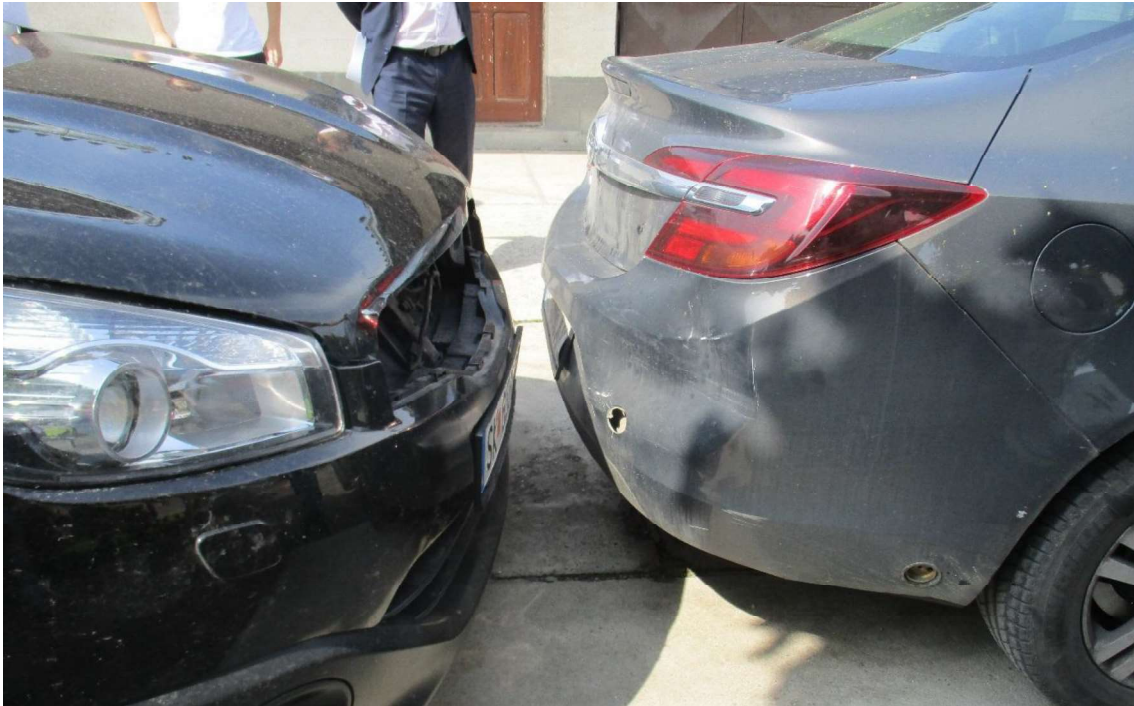
Initial investigations did not dispute whether contact was made between the participants in the accident, but rather the relatively higher frontal damage (in the upper zone) that was reported for the Nissan Qashqai in the area of concentrated damage to the front cover (hood), front trim, front light (headlight) and internal damage to the front of this vehicle. In these circumstances, there was doubt as to the reliability of the occurrence of the accident in terms of whether this vehicle had previously been involved in an accident or damaged parts were fitted before actual contact between the two vehicles was made. Given that the damage was relatively fresh with no signs of corrosion, and the screws had no trace that the vehicle had any intervention in terms of adding damaged parts, the option that the vehicle had previously been fitted with damaged parts was eliminated, so at the initial stage of processing the case it remained suspect that the vehicle had previously been involved in another accident, and then to compensate for the damage, Nissan Qashqai had further made contact with the Opel Insignia for right to compensation and collection of insurance funds.

To that end, all damage to the Nissan Qashqai was first repaired and a conversation was obtained with the vehicle owner and accident participant denying that the vehicle had been damaged prior to the accident and showing a photograph of the vehicle which was done one week before the accident, with which they asserted there was no prior damage done to the vehicle.

Considering that damage to the front headlamp in the upper zone of the front cover (hood), front trim, front light (headlamp) damage and internal frontal damage to the front of this vehicle were still disputed and since any prior damage or setting up of an accident was denied, inspection both of both vehicles once again to determine whether all the damage had indeed occurred in the event in question or not, and the participants in the accident agreed to re-comparing the vehicles.

According to the agreement with the accident participants, the next day at a predetermined time and place, the vehicles were brought to a comparative inspection and after a detailed examination and analysis of the damage to the vehicles, it was concluded that contact between the vehicles had occurred and all damage to the vehicle originated in the traffic accident.

Namely, the damage to the upper front of the Nissan Qashqai fully corresponded to the deformed front cover (hood) contact with the rear right-hand stoplight at the Opel Insignia. After clearing the dust off of the rear of the Opel Insignia, it was found that there was an imprint on the rear lid of the luggage compartment and the rear right brake light as a consequence of the contact made between the Opel Insignia and the Nissan Qashqai, corresponding in volume and height. Practically, from the comparative insight, it was concluded that the deformation of the front hood of the Nissan Qashqai corresponded to the shape of the rear right-hand stoplight of the Opel Insignia, and at first, it was confusing that the rear-right stoplight was not broken considering that it is made of a plastic material, when, in comparison, the front cover (hood), which is made of metal, was. The following are photos of the second comparative examination between the vehicles involved in the accident.



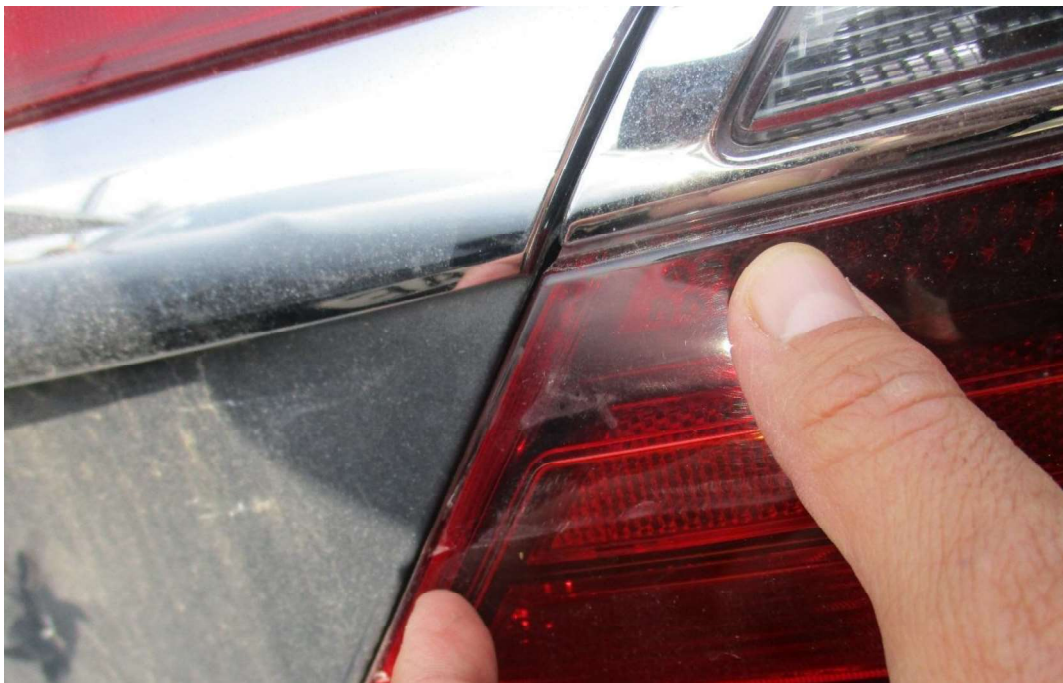
**Figure 6. Comparative examination (a)**



**Figure 6. Comparative examination (b)**



**Figure 7.** Comparative examination (c)



**Figure 8.** Comparative examination (d)



Figure 9. Comparative examination (e)

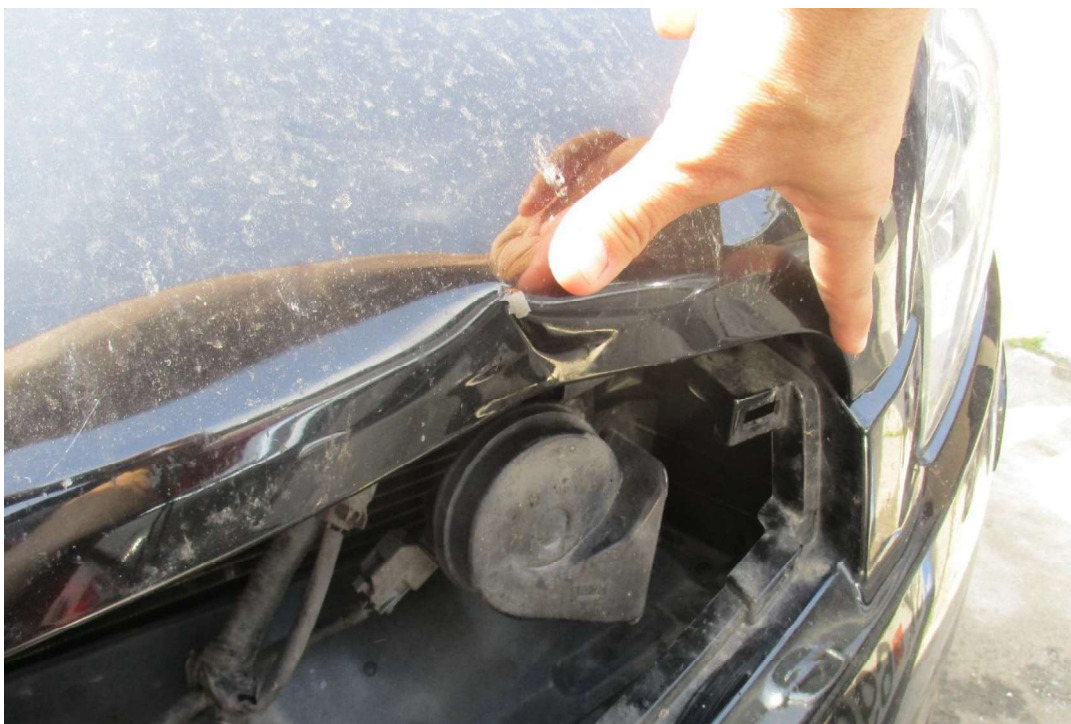


Figure 10. Comparative examination (f)



### **Conclusion**

Recognizing and proving stinging accidents and thus insurance fraud is a relatively complex and extensive procedure requiring an analysis of all material evidence available to properly establish the facts, that is, to determine whether the accident could have occurred in the manner described whether certain damages could have occurred, etc. The reliability of the analysis made to determine the reliability of the event of damage, as well as specific damages depends on the quality of the material evidence available and the evidence that could be provided further.

To that end, insurance professionals in the insurance companies, and experts, in the forming of their findings and opinions, should possess an extremely high level of expert knowledge and skills in order to properly establish the factual situation, since otherwise set-up accidents could be paid out, and real damages could be denied, and some people could be brought in to file seemingly appropriate charges when they did not break the law.

### **References**

1. The study used its own case studies.