

IN BRIEF....

FRAUDLINE

- Launched in 2002 by industry to provide an anonymous service for the public to report insurance fraud.
- Originally managed by Tip-offs and paid for by members of the South African Insurance Association (SAIA)
- From January 2009, still managed by Tip-offs, but now funded by SAICB members and other industry partners.

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SAICB UPDATE

April has been a month of numerous public holidays including a crucial National Election, but this has not in any way slowed down the activities of the SAICB.

On the contrary, we have finalised our partnership with the South African Fraud Prevention Services (SAFPS) and the bulk download of their confirmed fraud cases information in South Africa will be in the Memex system by the end of April.

Recovered Vehicles

The Tracker recovery lists and South African Police Service (SAPS) 13 lists from the pound yards are being received on a regular basis, the information is run through Memex and then sent to the industry for follow up.

New members and partners

Several promising meetings have been held with potential member companies, and participants in the Fraudline funding, finalisation of participation for most of these companies is expected in May.

Staff dishonesty database

The staff dishonesty database is in the final stages of completion with valuable input from our Board added to the template and the updated version will now be sent to all relevant parties for final input.

3rd Party and Service Provider information

Most of the member companies have agreed to discuss the 3rd party and service provider information to be

shared with the SAICB, within their companies to finalise how this can be sent to us.

Pilot projects

The template for commercial information, done in partnership with Lion of Africa and the template for the life information from Standard Bank Insurance is in the final stages of completion.

These templates will then be sent to the industry for final input.

Website

Regular queries are being received from the website, mostly dealing with customer service issues and information on the SAICB. The customer service enquiries are being sent directly to the relevant companies.

REPORT UPDATES:

FRAUDLINE reports received in April: 5

SAPS 13: 23 Lists received consisting of 523 vehicle details—information run

FRAUDLINE

In March 2009, 179 reports were received of which 12 were for the short term insurance industry.

Since 2002, **24542** reports have been received of which **708** reports were for the short term industry **115** re-

ports for the brokers and **309** reports were for the life industry.

For the full report with all the statistics, please contact Melanie Pillay on melaniep@saicb.co.za



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SOUTH AFRICAN INSURANCE CRIME BUREAU

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MEMBERS

SANTAM
 MUTUAL & FEDERAL
 HOLLARD
 ZURICH
 LION OF AFRICA
 REGENT
 TELESURE
 ABSA INSURANCE
 STANDARD BANK
 INSURANCE
 OUTSURANCE
 MIWAY

PARTNERS

SOUTH AFRICAN
 INSURANCE
 ASSOCIATION
 (SAIA)
 TRANSUNION
 FRAUDLINE
 MEMEX

SAICB UPDATE *cont.....*

through Memex and feedback forwarded to industry.

SAPS: 3 lists received containing 17 vehicles abandoned at the Johannesburg International Airport for industry follow up.

SARS ASSET FORFEITURE: 258 queries sent to SAICB and sent to industry and they have received valuable information regarding fixed and movable property from the industry. Informa-

tion added to Memex.


NPA ASSET FORFEITURE: 9 reports received with information on 41 individuals, information run through Memex and sent to industry for input, and forwarded back to NPA.

INSURER QUERIES: 59 queries run through Memex and sent to industry.

TRACKER: 20 lists received with the details of 366 re-

covered vehicles. Information run through Memex and sent to the industry for follow up.

A large number of general queries and information has been received from member companies for industry distribution. This sharing has resulted in the stopping of payment of claims or directed the affected companies to do vigorous investigations.

One claim alone saved the affected company approximately R900 000. 

SAICB - OPERATIONS

MEMEX

The industry formulated business rules are currently being run through the Memex system. The results indicating areas of further investigation are being analysed and tweaking of the rules—to prevent false positives—is being done.

Thousands of Invalid ID numbers have been found in our own (insurance industry) Claims and Underwriting data, and this is being addressed on an individual company basis to assist the member companies with ensuring that the quality of their data is addressed.

All the bulk downloads of information from IDS has been done and regular updates of information is being

received on a daily basis from the member companies.


MODUS OPERANDI

The current economic situation has resulted in many previously law abiding citizens, looking at ways to defraud insurance companies to make ends meet as the insurance industry is regarded as a soft target.

The type of fraud being committed has reached such a level of sophistication that the person committing the fraud is actually being coached, we believe by staff members from within our industry, on how to commit the crime and submit the fraudulent claim to ensure a successful outcome.

Everything from how to stage the theft of the vehicle, who and when to call so that the correct information is recorded to deter suspicion, as most assistance call centers have recording solutions, to what to say and where to get rid of your vehicle so that it cannot be recovered.

The specific information on the modus operandi being used will be shared with the relevant investigators within the SAICB members companies so that they can be vigilant for this behavior.

Thank you to the insurance companies that have been sharing trends and modus operandi with the SAICB so that we can keep the industry informed. 

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Credit Crunch desperation...

In the town of Tonawanda, near Buffalo, New York in the USA, auto mechanic, Todd Coughlin, was arrested Wednesday, 13 April 2009, on charges that he had another mechanic dismantled his 2004 Chevrolet Silverado pickup truck so he could file a \$32,500 (approx. R300 000) insurance claim.

Investigators said Coughlin admitted that he asked another mechanic to dispose of the pickup so he could get out of making loan payments for the vehicle and file an insurance claim with Allstate Insurance Company to cover the debt.

The second man, Derrick Lucas, 32, of Dupont Avenue, also in the Town of Tonawanda, was arrested in December. He is accused of dismantling the pickup truck and selling parts.

Coughlin is charged with insurance fraud, grand larceny, conspiracy and falsely reporting an incident. Lucas is charged with criminal possession of stolen property and unlawful possession of a vehicle identification number. Both men could be sentenced to up to seven years in prison if convicted of the felony charges

GUEST ARTICLES

INSURANCE FRAUD INVESTIGATORS GROUP (IFIG) in the UK

IFIG: CLOSING IN ON THE CHEATS

Insurance Fraud Investigators Group (www.ific.org) in the United Kingdom is a Members Organisation dedicated to the detection and prevention of Insurance Fraud.

It is a non-profit making organisation created to tackle the growing problem of Insurance Fraud and disrupt insurance fraudsters.

Members include Insurers, Law Enforcement, Lawyers, Loss Adjusters, and Investigation Agencies all of whom are committed to preventing Insurance Fraud.

IFIG's main objective is the sharing of intelligence on insurance fraudsters on-line through it's website. From the alerts posted on the Website, IFIG is able to demonstrate that insurance fraudsters are also involved in other criminality - including the July 2005 terrorist bombings in London.

IFIG also provides free or discounted training to its members on relevant subjects and has recently un-


veiled a Fraud Management course with a Nationally recognised qualification.

On 1 October 2008 IFIG became one of the first organisations in the UK to be acknowledged by the Government as a 'Specified Anti-Fraud Organisation' under the Serious Crime Act 2007. Only six anti-fraud organisations have been awarded this status which allows public bodies to share intelligence with IFIG to prevent or detect fraud in general, and insurance fraud in particular.

IFIG's website encourages members of the public to use it's Cheatline to whistle-blow on insurance fraudsters and this has produced numerous successful fraud investigations for IFIG members. IFIG now has sixteen of the 43 UK police forces as IFIG members and has an excellent working relationship both with them and the several Fire Service Arson Investigators who are also IFIG members.

IFIG really is fighting back against the insurance fraudsters and disrupting their activities. This is particularly so in the cases of Staged Motor Accidents, which have been particularly troublesome to the Insurance Industry in the UK for several

years. A number of focused police/IFIG operations have resulted in long prison sentences for fraudsters, including Accident Management Company directors and employees who have resorted to fraudulent activities.

Intelligence sharing, both within the private and public sector, has strengthened the battle against insurance fraud which the industry is committed to win. 

Thank you to Peter Upton, Group Head of Financial Crime Investigation of Prudential plc for this informative article.

Trends identified in the US on types of fraud being committed

EXCERPT FROM FRAUD NEWS DAILY

ARSON CASES INCREASE DURING HARD ECONOMIC TIMES

[Full article...](#)

INSURANCE AGENTS CAN HELP FIGHT INSURANCE FRAUD

[Full article...](#)

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IN BRIEF.....

SAICB STAFF NEWS

Staff complement increased to 6 -

Hugo van Zyl has been promoted to Chief Operating Officer (COO)

Melanie Pillay has been promoted to Company Secretary

The rest of the staff consists of an Analyst, Senior Investigator, Data Capturer and Receptionist/Assistant

The SAICB is currently looking for another Senior Investigator— see available staff positions under General.

SAICB

OPERATIONS

The SAICB is investigating the inclusion of recording facilities for all phone calls received and made as fraud reports and information is also being received telephonically on a regular basis.

GENERAL

AVAILABLE STAFF POSITIONS—SAICB

SENIOR INVESTIGATOR

Responsibilities

- Assume full leadership responsibility for a team of professional investigators from various short term insurance companies that will be handling different syndicate investigations.
- Providing overall leadership and direction for investigations.
- Checking and validating of all investigation outcomes from the various investigations.
- Team development and performance
- General day to day management of teams
- Liaise with all relevant participants of the investigation including SAPS, NPA, SARS, etc.
- Provide feedback to Operations Manager and other role players on all current investigation on a regular basis.

Qualifications

- Matric
- FAIS Accreditation or a

FAIS recognised qualification will be highly beneficial.

- Leadership, management and or Insurance related studies completed or in progress will be beneficial.

- Relevant criminal and related legal courses.

Experience

- Investigation experience within the short-term insurance industry for at least 3 years is required.
- Previous experience in organised crime including commercial investigations and motor, non-motor, business and fire investigation will be highly beneficial
- SAPS/investigation/organised crime experience

Skills and Competencies

- Leadership and management skills/potential are essential
- Excellent administration and organisational skills
- Excellent interpersonal and communication skills (verbal and written)
- Computer literate
- Self disciplined and self motivated

- Problem solving/initiative.
- Negotiating Stress/change tolerance
- Tenacity and resilience
- Be an analytical thinker
- Customer service oriented
- Deadline and results oriented
- Attention to detail
- Takes ownership and responsibility
- Adaptability
- Conflict handling

Please respond by 11 May 2009. Package negotiable, for further information please contact:

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CONTACT

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Or please visit our website:

www.saicb.co.za