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HOW INVESTIGATORS USE FACEBOOK TO SNARE INSURANCE FRAUDSTERS

Laura Lynott

ONE of the country's top insurance companies says it has witnessed a 25pc increase in "claims fraud detection" in the last two years.

Around €268.4m was claimed in personal injury cases last year across the board.

For every €1 in fraudulent claims detected, another €3 is thought to remain undetected. Detected fraud in Ireland's insurance sector is close to €50m.

Liberty Insurance confirmed the most common fraudulent claims right now are staged accidents, where all parties are involved, "induced accidents", where the fraudster will drive intentionally into an innocent party or cause an innocent party to crash into them, and fraudulent fire to or theft of a vehicle.

"We believe recent successes defending claims across the country is evidence that the judiciary are beginning to take a harder stance on fraudulent claimants and there are signs that the tide may be starting to turn," said Liberty Insurance's director of personal lines Deirdre Ashe.

DETECTIVES

"However, there must be real consequences for this crime and until custodial sentences are enforced, fraudsters will continue to believe it is a risk worth taking.

"The number of suspected fraudulent claims that we referred to gardai increased by 50pc in 2016. And referrals to gardai will be a key focus for us in 2017," Ms Ashe added.

Liberty has a special investigations unit, which uses

advanced fraud-detection methods, data and analytics, and alert management to catch fraudsters.

However, some insurance companies hire private detectives to ensure anyone they suspect of fraud is investigated.

According to two private investigators based in Dublin, fraudsters are increasingly staging crashes as copycats of crimes committed in the US and UK for many years.

However, many are "not too clever," one PI told the *Herald*.

"Because they post too much information on social networks and Facebook in particular. That's a great place for us to dig information," the PI said. "It can take a long time but it's often worth it."

Another Dublin-based PI said that old-fashioned detective work was also essential in the war on fraud.

"I'm hired by insurance companies and employers, to find out if a person is really as injured as they are making out, so I stake out their homes for sometimes days at a time," he said.

"I'm looking for the people who say they can barely walk they are so badly injured after an accident, that they've hurt their back so badly they can hardly bend.

"Some of these guys are unbelievable. They are off to the gym, or running down the street jogging. I caught one fella who was supposed to have a serious back injury out playing soccer for his local club.

"I never feel guilty about catching these people because if you're committing fraud someone has to pay for that and that's

a crime. If you're genuinely hurt, you have nothing to worry about by a PI following you and snooping into your life because you've done nothing wrong."

However, Kevin Brophy, a

Dun Laoghaire-based solicitor who has dealt with hundreds of personal injuries cases, said it is wrong that those making claims are tarnished by the "reputation of the few who are dishonest".

"My view on fraud claims is that it's so grossly distorted," said Mr Brophy.

"There are claims that are fraudulent, of course and good luck to insurance companies when they find these people, but there's so many people now afraid to bring claims as they don't want a PI following them, or to be thought of as being dishonest by the general public.

"That isn't right - if you're paying insurance and if you suffered an injury in your car, or at work, you're within your rights to claim for it.

"I've been doing personal injury claims for 30 years and once or twice, I've been suspicious about cases but I don't think the bulk of the cases are based on fraud.

"It's simple for a solicitor, if I don't trust my client, I won't represent them but most claiming for injuries, I trust. The majority are legitimate."

PAYOUTS

Part of the draw for the dishonest is the size of the payouts in Ireland.

In 2014, the cap for claims made through the Circuit Court was raised from €38,000 to €75,000, and the awards increased from €6,300 in the District Court to €15,000.

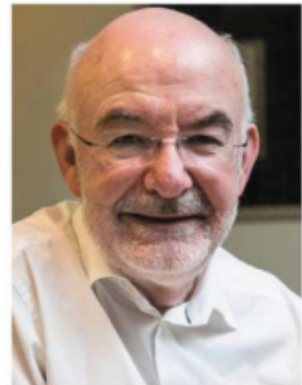
This increase has influenced the number of claims, which have gone up by 14pc since 2014.

Whiplash injuries pay a minimum of €14,000. In the UK, this injury is awarded a maximum of around €5,000 (€6,000).

Some 80pc of personal injury claims here are soft tissue.

Mr Brophy does not however, believe that claims are driving up motor insurance premiums.

"There's a cynical belief that everyone is a fraudster unless they are proven to be otherwise and it's just not true. While the amount of premiums paid, I would say, easily pays for claims made," he said.



Solicitor Kevin Brophy says most claims are legitimate