Insurance Bureau of Canada (IBC) International Fraud Forum
Toronto, Canada

11 March 2020

Insurance Fraud Bureau New Zealand

Executive Summary

The inaugural international fraud forum was held in Toronto, Canada on 11 March 2020. In a comparative sense several key themes resonated throughout the conference, these being:

- Data sharing between members & stakeholders is essential.
- Collaboration is a must.
- Apathy toward fraud from the public.
- Legislation needs to be tougher.

To reiterate the need for collaborating and data sharing, several participants stated that they were spotting trends that could never have been seen before when each company was trying to solve the insurance fraud problem on its own.

No single group can solve the challenge of insurance fraud on its own. Our industry must lead the way – but we can't do it alone. Regulators and government can't do it alone. Law enforcement can't do it alone. But each of us has a role to play. Each of us can contribute to a strategy that works. Working together, we'll be able to protect public safety and deliver meaningful savings to all.

To ensure this collaboration continues IBC and partners have established a framework that encourages insurers to share information for the purposes of fraud detection. When it comes to detecting and suppressing fraud, they have come to understand the potential benefits of collecting, compiling, analysing and sharing data among insurers and especially among their investigative teams.

The biggest and most effective response to combatting fraud in the UK is the collaborated approach to data sharing, without it the IFB wouldn't be as successful as it has been and the costs to insurers and the economy would be even more outrageous than it is now. Data sharing allows the combined agencies to combat insurance fraud.

Apathy from the general public toward insurance fraud appears to be a global problem with many panellists and presenters taking the view that their needs to be tougher laws and sentences when clients are convicted of fraud.

There were also a couple of new and emerging themes that globally insurers are starting to use, these are taking a more applied view of behavioural economics to gain a better understanding of clients' psychology; and nudge theory, which is essentially in conjunction with understanding the Braithwaite Compliance Triangle and attempting to influence opportunist clients who are easily tempted into bad behaviours.

Insurance Fraud Bureau New Zealand

Introduction

The inaugural international fraud forum was held in Toronto, Canada on 11 March 2020, hosted by Maria Dal Cin, Insurance Bureau of Canada's (IBC) Senior Vice-President of Insurance & Fraud Operations and Ken Lindhardsen, Vice President of Accident Benefits & Bodily Injury of Desjardins General Insurance Group, and Chair of IBCs Industry Insurance Crime Advisory Group.

Don Forgeron, CEO IBC, opened the forum setting the scene for the day talking about sharing information, ideas, best practices and tools that can help in the fight against fraud and protect against the consequences it has on our economies, our businesses and societies.

Don commented about the cost of fraud being substantial and it's not only insurance companies who are having to pay. Don went on to say that:

Insurance fraud is also a public safety issue and needs to be addressed with that in mind. Fraud can be a way for organised crime to bring in revenue and support its other operations. It can be a way for dishonest people to take advantage of unsuspecting citizens – sometimes threatening them with violence or retribution.

Beyond that, there are also people across the country who are put at risk every time a car accident is staged in order to potentially secure accident benefits for the so-called victims. So, it's important to remember that fraud affects the well-being of the people and indeed the country. That said, costs are growing and so is the range of fraudulent activity.

Sometimes, fraud is a one-off – a person looking for a quick payday. Often, it is much more elaborate, insidious and systemic. The repair shop that inflicts additional damage on a car in order to inflate the charges, once they know the owner has insurance. Or the tow truck operator who gets a kickback for bringing a vehicle to a dubious body shop. Or the shady health care facility that coaches people how to exaggerate their injuries in exchange for a percentage of the claim pay-out.

In every one of these cases, insurance fraud is not a victimless crime. It may be impossible to put a precise figure on the cost on insurance fraud but what is important is that we are paying more for our policy's than we ought to. Someone else is benefitting at our expense. The fraudsters cheat. And we all pay.

From an IBC perspective, firstly, we need more meaningful penalties against those who commit fraud. That's a message we're taking to the government and to prosecutors. The way things work now, fraudsters who are arrested, charged and found guilty can wind up back in business in far too short a time. We need stronger sentences so that the excellent work of law enforcement can result in meaningful punishment and a real deterrent to others.

Secondly, there is an even greater potential role for law enforcement in combatting insurance fraud, a way to build on our existing partnership. At IBC we already work in cooperation with law enforcement in several key areas. We assist them in their investigations, we train new recruits, and we partner with agencies across the country on education and awareness campaigns.

We've come to understand from real-life experience that anti-fraud efforts work best when there is real collaboration among local, provincial, national and even international agencies like Interpol.

Last year alone, IBC and the port authorities in Montreal and Halifax recovered more than $20million in stolen vehicles before they left Canada and before illicit profits were made.

Partnerships like this send a clear signal. They announce to thieves that moving stolen property through ports is a risky endeavour. We also have a similar kind of partnership when it comes to insurance fraud, both on a day-to-day basis and in terms of large-scale frauds that we identify together.

We believe that every fraud case matters. Every arrest makes a difference. Every conviction gives us the opportunity to save money for our customers and to send a message that if you commit fraud, you may get caught.

And lastly, IBC's final perspective is that we need to do more ourselves as an industry. Over the years, insurers have thought long and hard and invested in the best way to confront fraud.

Companies have their own fraud-fighting teams and rely on service providers to help detect fraud that spans across insurers. Currently, the industry's broader anti-fraud services are a shared responsibility between the investigative service division of IBC and CANATICS, which provides fraud-based data analytics to several insurance companies.

Sometime ago IBC and partners undertook a comprehensive review of our shared anti-fraud efforts. We looked at all the services provided by both IBC and CANATICS. This review was led by IBC member companies and resulted in a new services strategy that we've been putting in place over the last several years. We've been making good progress with meaningful results. This strategy has now brought us to another key juncture of progress. Having two separate service providers means that roles and responsibilities are sometimes unclear. Any potential synergies and efficiencies created by being under one roof were lost... But not any longer. We are bringing greater clarity and efficiency to our anti-fraud efforts. We are creating a single entity with a clear mandate and clear leadership.

It will bring an unblinking focus to combatting insurance fraud and crime and it will communicate a greater sense of urgency within the industry to fight back as insurance crime grows more prevalent and more sophisticated.

At the same time, individual insurance companies are achieving more than ever through cooperative efforts. Years ago, many insurers saw fighting fraud as a potential competitive advantage. It was, in many ways, every company for itself. Now IBC member companies are demonstrating the benefits of ongoing and meaningful collaboration.

Through IBCs new Investigation Coordination and Support Service, nine insurance companies have come together to work in partnership to identify and investigate fraudulent activity that affects multiple insurers. To date, more than 20 complaint referral packages have been shared with the regulator, health regulatory colleges, law enforcement and a municipal enforcement agency.

Last year, for instance, this team identified a vehicle storage facility in Brampton that was charging insurers excessive fees and sometimes even refusing to release vehicles in order to run up higher fees.

As a result of acting together, insurers not only disrupted a lucrative scam, they also gained valuable information that will help to prevent against similar bad actors going undetected in the future.

The IBC are just beginning to understand the many benefits of having insurance companies work together to reduce fraud. We're spotting trends that we couldn't see before when each company was trying to solve this problem on its own.

To ensure this collaboration continues IBC and partners have established a framework that encourages insurers to share information for the purposes of fraud detection. When it comes to detecting and suppressing fraud, we have come to understand the potential benefits of collecting, compiling, analysing and sharing data among insurers and especially among their investigative teams.

This is where it gets a little tricky. IBC and its members are very aware of their customers' strong views when it comes to matters of privacy. The disclosure of information should never be taken lightly. Regulatory oversight needs to be established. At the same time, this data could truly help in the fight against fraud. Much the same way that major nations share intelligence information through agreements like the Five Eyes Alliance between the U.S., Britain, Canada, Australia and New Zealand.

On its own, each country may gather data that shows only part of the picture. But, when that information is shared, when it is compiled and analysed, new threats and new realities may be revealed. And the benefits of working together are very apparent.

No single group can solve the challenge of insurance fraud on its own. Our industry must lead the way – but we can't do it alone. Regulators and government can't do it alone. Law enforcement can't do it alone. But each of us has a role to play. Each of us can contribute to a strategy that works. Working together, we'll be able to protect public safety and deliver meaningful savings to all.

Canadian Cross-Sector Fraud Panel

The first part of the day consisted of a Canadian cross-sector fraud panel consisting of the following panel members:

- Shannon DeLenardo, Director of Anti-Fraud and Electronic claims at the Canadian Life and Health Insurance Association.
- Mike Johnston, Executive Director of Stakeholder Compliance at the Workplace and Safety Insurance Board.
- Brenda Guska, Program Manager at Ontario Public Service in the Ministry of Health.
- Andy Dykstra. Program Director for Enterprise Fraud at the Co-operators & Deputy Chair of IBC's Industry Insurance Crime Advisory Group.

Canadian Life & Health Insurance Association (CLHIA)

CLHIA provides private extended health plans providing coverage to approximately 25 million Canadians and in 2018 paid out over $368 billion in claims. It is funded by its

members of which consist of 99% of Canada's Life & Health insurers. The scope of their fraud is estimated between 3-10% of all health care dollars spent in North America with their most common fraud being, group benefits and billing.

Workplace Safety & Insurance Board (WSIB)

WSIB provides coverage for workplace injuries and illnesses to over 5million workers. It is funded by premiums from over 300,000 employers in Ontario and is regulated by the Ontario statute Workplace Safety & Insurance Act.

Ontario Ministry Health

The MOH covers 26 million Canadians and in 2018 paid for claims worth $36.1 billion for health care services delivered through benefit plans purchased by employers. It is funded by payroll deduction tax and is regulated by legislation and policies such as the Health Insurance Act and Ontario Drug Benefit Act. The most common fraud is subscriber (Health Card eligibility) and Provider (Physician billing and pharmacy claims).

Insurance Bureau of Canada (IBC) & CANATICS

Canadian property/casualty (P&C) insurers paid out $39 billion in claims in 2018. Canadian P&C insurers wrote $59.6 billion in direct written premiums. IBC and CANATICS are funded by members and regulated by the Provincial Superintendents of Insurance (OSFI). The scope of fraud is estimated at 18% of their annual claims' costs with their most common fraud being auto/motor vehicle.

Insurance Fraud Not a Victimless Crime

This session was followed by Maria McDonald, an Irish Barrister currently working as Deputy Director, Victim Support Strategy Lead, for the Ontario Provincial Police's Investigation and Support Bureau. Maria spoke about the insurance fraud victims and their rights and the importance of taking a victim-focused approach.

The OPP has established an on-line portal where victims of fraud can track the status of their open cases where insurance fraud has been perpetrated against them.

International Fraud Insights

The second part of the day was formatted for the international fraud insights panel which consisted of:

- Stephen Dalton, Head of Intelligence & Investigations, UK Insurance Fraud Bureau.
- Kevin Gallagher, Northeast Regional Director, National Insurance Crime Bureau.
- Ken Linhardsen, Vice President of Accident Benefits and Bodily Injury for Desjardins General Insurance Group & Chair of IBC's Industry Insurance Crime Advisory Group.
- Yvonne Wynyard, Manager, Insurance Fraud Bureau New Zealand, Insurance Council of New Zealand.

The fraud insights panel talked about their organisations in the following detail.

UK – The industry has a relatively mature counter fraud strategy based around enforcement, detection and prevention. The Fraud Enforcement Department (resourced

by Police), Insurance Fraud Bureau (Detection) and the Insurance Fraud Registers (Prevention) are all funded by the industry via a fraud levy.

The IFB is a privately funded organisation, run by non-executive Directors from UK insurers. It is recognised in UK legislation as a Specified Anti-Fraud Organisation (SAFO), that allows public authorities to share personal data for fraud prevention purposes.

The IFB's role is to detect and disrupt organised cross industry fraud. Although not a prosecution agency, the IFB coordinates evidence with insurance and engages with law enforcement and industry regulators to press for action.

The IFB works closely with UK Police and industry regulators through a multiple intelligence sharing agreement.

The IFB currently disseminates circa 1,800 intelligence reports per annum enabling 200 active industry coordinated investigations worth approximately £166 million in exposure. Since inception the IFB have supported police in 1,266 arrests, 661 convictions and 590 years in prison sentences, to date.

Motor fraud (including personal injury) is the largest business line by value and volume at £630 million in 2018. Organised motor fraud is estimated at £350 million.

In 2018 the UK detected £1.1 billion in fraud and estimated that at least the same amount was undetected. Overall, statistics are now showing a levelling out with some reduction in organised motor fraud reported but it is unclear if this will remain a continuing trend.

One major challenge for the IFB is Brexit. Changes in regulation, automation and legislation (Civil Liability Reforms) are bringing uncertainty and challenges to the market. The IFB are taking an agile approach as fraud changes.

Societal attitudes towards fraud in the UK are in keeping with New Zealand's general apathy whereby insurance fraud is not seen as a crime by opportunists. There is currently an on-going debate about the long-term value of fraud campaigns. However, there has been some interesting work on behavioural psychology and 'nudge' theory (meta messaging at application and claim stage) offer some exciting possibilities to deter low level opportunists.

The biggest and most effective response to combatting fraud in the UK is the collaborated approach to data sharing, without it the IFB wouldn't be as successful as it has been and the costs to insurers and the economy would be even more outrageous than it is now. The data sharing allows the combined agencies to combat insurance fraud.

The UK IFB's predictions for the future of insurance fraud is an increased automation of data analytics and greater demand and use for AI. This does not negate that fraud decisions will still require human intervention.

USA – National Insurance Crime Bureau (NICB) was formed in 1992 from a merger between the National Automobile Theft Bureau (NATB) and the Insurance Crime Prevention Institute (ICPI).

The NICB's mission is to lead a united effort of insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, government affairs, learning & development and public awareness. The NICB's vision is to be the preeminent organisation fighting insurance fraud and crime.

NICB works closely with its partners in law enforcement including federal, state and local prosecutors and law enforcement agencies. In addition, it works closely with its insurer members and state regulators.

NICB is a not-for-profit organisation with nearly 400 employees. Its membership includes more than 1,300 property/casualty insurance companies, vehicle rental companies, auto auctions, vehicle finance companies, self-insured organisations and strategic partners.

NICB has 5 core functions:

- **Data Analytics.** NICB develops, compiles, analyses and disseminates information to help prevent, detect and deter insurance fraud. It provides data on questionable trends, patterns, entities and organised rings.

- **Investigations.** NICB conducts multi-claim, multi-carrier investigations of major criminal activity. Much of their success is due to the network of relationships with members and strategic partners as well as law enforcement agencies, prosecutors and other who are dedicated to uncovering and stopping insurance and vehicle crimes.

- **Learning & Development.** NICB delivers customised training to members to help companies stay current on the latest insurance crime issues and schemes, red flag indicators and fraud-fighting technologies. Additional learning and development are available through various NICB Academies, as well as the online National Insurance Crime Training Academy (NICTA). Online training modules are also provided for members of law enforcement.

- **Government Affairs.** NICB's Government Affairs team leads the property/casualty industry's anti-fraud and vehicle theft legislation and regulatory agenda. It promotes statues, regulations and policies at all levels of government to help serve member interests in preventing, detecting and defeating insurance-related crimes.

- **Public Affairs.** NICB creates extensive public affairs campaigns to inform member companies, media and the general public about insurance crime and theft. Consumer services also includes a very popular VINCheck service, which helps the car-buying public to determine if a vehicle has been reported as stolen, but not recovered, or as a salvage vehicle.

Medical fraud coupled with higher medical care costs is the number one priority for the NICB. NICB's investigative efforts focus on multi-claim, multi-carrier investigations of major criminal activity in concert with members and law enforcement agencies

nationwide. NICB is the country's only private organisation that takes a multi-carrier approach to fraud and theft investigations.

The FBI estimates that the total cost of insurance fraud (excluding health insurance) is more than $40 billion per year. Insurance fraud costs the average U.S. family between $400 and $700 per year.

Surveys indicate that fraud comprises about 10 percent of property-casualty insurance losses and loss adjustment expenses each year.

Commercial fraud – the NICB participates in the National Commercial Vehicle & Cargo Theft Prevention Task Force (NCTTF) is comprised of members of private industry, insurance and law enforcement.

Cargo theft is a nationwide issue with a significant economic impact on the U.S. economy and its national security. Cargo crime accounts for an estimated direct merchandise loss of $10 billion to $25 billion per year.

One of the challenges for the NICB is data sharing. NICB only receive data that are claims of proven fraud which limits their ability to conduct comprehensive analysis into preventative techniques, forecasting or associative fraud.

Public attitude towards fraud in the U.S. is like other panellist views in that fraud is not taken particularly seriously. One of the major challenges for the insurance industry is educating the public about insurance fraud and the associated costs.

The biggest and most effective impact NICB has for combatting insurance fraud is collaboration and partnership with its partners and stakeholders, this includes, the insurance industry, government entities, private strategic partners and the public.

The NICB prediction for the future of insurance fraud is increased use of technology such as data mining, link analysis, predictive modelling, and delving into social media and the internet of things (IoT). An increase in the need for global collaboration, sharing and cooperation to successfully reduce the global problem. There will be an increase in internet related insurance frauds through identity theft within and outside the country. And, expanded public outreach through all media platforms to better educate our public partners on the cost of insurance fraud.

Canada – Insurance Bureau of Canada (IBC) is the national industry association representing Canada's private home, auto and business insurers. Its member companies make up 90% of the property and casualty (P&C) insurance market in Canada. For more than 50 years, IBC has worked with governments across the country to help make affordable home, auto and business insurance available for all Canadians. IBC supports the vision of consumers and governments trusting, valuing and supporting the private P&C insurance industry. It champions key issues and helps educate consumers on how best to protect their homes, cars, businesses and properties.

P&C insurance employs more than 128,000 people and pays over $9 billion in taxes and has a total premium base of $59.6 billion.

IBC investigations focus on organised crime involvement in:

- Medical clinic, injury fraud & identity theft

- Cargo crime
- Auto theft, vehicle identifications & recovery

IBC has 19 investigators across Canada

- Provides in-field assistance to many Canadian police services
- Are a member of the Criminal Intelligence Service of Alberta (CISA) and Criminal Intelligence Service of Ontario (CISO)
- 90 years of investigative history and experience

IBC is supported by the Health Claims for Auto Insurance (HCAI) which is an electronic system for transmitting auto insurance claim forms between insurers and health care facilities in Ontario. It supports 139 insurers, 7,422 health care facilities, and has processed roughly 10.8 million claims estimated to cost $6 billion in pay-outs.

The IBC is currently advocating that governments reform fraud regulations and introduce meaningful consequences for criminals convicted of fraud.

The IBC report that vehicle fraud is likely to account for up to 18% of insurers' annual claims costs. This means that the Ontario insurance fraud bill is an estimated $1.6 billion annually which represents an additional $236 on every Ontario driver's insurance premium.

In Ontario between 2013 and 2017 insurers not collaborating by sharing data has allowed bad actors to increase the incidences of fraud by 38.2%. Not sharing data forced over 80% of insurers to rely exclusively on internal staff to detect questionable activity, making it nearly impossible to accurately identify the fraud on their books.

The challenge for the IBC is that fraud is rampant throughout the auto claims lifecycle – from the aggressive tow truck drivers at accident scenes to the lawyers, body shops, and health care facilities involved during the claims process. However, to address this the IBC are conducting:

- **Data pooling and fraud analytics**.
    - The identification of organised fraud is facilitated by the pooling of data and the use of sophisticated fraud analytics to identify potential organised fraud.
    - Canadian National Insurance Crime Service (CANATICS) represents significant progress in this area with 75% of the Ontario market pooling data and successfully analysing data using fraud analytics and generating leads for insurers to focus on in their investigations.
    - The willingness to work together by pooling data sets the stage for the industry's willingness to collaborate on investigations.

In Canada society there is a prevailing tolerance for claims fraud and the notion that it's ok to exaggerate a claim. IBC invest quite a bit of money and effort every year to help educate consumers about the risks associated with fraud.

StatsCanada reported that about half of retail and insurance business establishments experienced some type of fraud in a 12-month fiscal period. Specifically, 45% of insurance establishments had suffered some type of fraudulent activity.

For Canada the biggest and most effective impact on insurance fraud has been collaboration. Insurers pooling data and using sophisticated fraud analytics to assist in the identification of organised fraud. Insurers organising themselves to conduct joint investigations and working closely with law enforcement and the regulators sets the stage for future actions that have the potential to disrupt the fraudsters in a way not previously seen within the market.

The IBC predicts that the future of insurance fraud will involve:

- **Digital evolution** as more insurers move towards the binding of policies online, fraudsters will look to take advantage of the opportunities created by this digital shift. Insurers, while offering digital services that simplify the process for clients, will need to adapt their approach to ensure they are not victimised by organised fraudsters. Insurers will need to consider solutions such as real time fraud analytics/modelling/AI solutions that will identify potentially suspicious policies and claims during the digital process where insurers may want to direct potential clients to a person to underwrite the policy or handle the claim.
- **Collaboration** will continue, expect the degree and type of data pooling to improve, expect the approach and methods of investigation to evolve and expect the way insurers work with the law enforcement and the regulators to become more streamlined (e.g. defined processes for collaborating).
- **Regulatory changes to support anti-fraud efforts** are expected to translate into more powerful enforcement options to assist in disrupting the fraudsters activities more significantly.

Insurance Fraud Trends

The last speaker of the day was National Director, Investigative Services, Insurance Bureau of Canada, Bryan Gast. Bryan was formally an investigator with the Ontario Provincial Police and his opening remarks brought attention to the fact that criminals have no borders and will target vulnerable individuals and companies domestically and internationally.

Bryan went on to say that the IBC has learned that a successful anti-fraud strategy works best when it's within a framework of analytical and investigative excellence and cooperation. No one company or organisation can be effective on its own. Reiterating that collaboration is critical for fighting these borderless crimes.

The fraud trends that Canada is currently experiencing are:

- **Staged collisions** which can result in a single claim of more than $100,000 in fraudulent pay-outs. These types of frauds are particularly troubling as they put innocent peoples' lives in danger. IBC continues to work on prevention and consumer awareness, and this is an especially important flag to raise for drivers.

- **Water-loss fraud** is becoming as financially problematic as arson. Unlike arson investigations that engage with the fire marshal and involve intense investigative scrutiny, water-loss claims don't have that type of oversight. Fraudulent water-loss claims, while hard to prove, can have a massive financial impact.

- **Ghost brokers** who sell bogus auto insurance to unsuspecting people online.

- **Vehicle finance fraud** where an individual buys a high-end car from a dealership presenting with fraudulent documents or stolen identity. The car is then shipped overseas and sold at a huge profit. The car is meanwhile claimed as stolen and another payment is gained.

- **Auto theft** costs Canadians close to $1 billion every year. This includes $542 million for insurers to fix or replace stolen vehicles and $250 million in police, health care, court costs and correctional services.

- **Cargo theft** which is strongly linked to organised crime. Last year, IBC helped retrieve $14.1 million in recovered stolen cargo.

Technology such as crash data retrieval (CDR) (aka the black box) is a rich source of information for investigations. This is used much like an aeroplane black box and can often contradict the story that the claimant is telling their insurer. It's an excellent source of information for collision reconstruction. It can tell you when and where your car crashed, if the seatbelts were worn, engine RPMs, brake use, the time of collision and more. Even a car's key fob holds valuable information that can assist an investigation. Such as the vehicle's GPS history, mileage, the last time the fob was used to start the vehicle, the number of keys programmed for the car and most importantly, the VIN, or vehicle identification number.

Insurers, like all other businesses are always looking for ways to grow their book, manage costs and offer customers fast and easy service. In a competitive marketplace, insurers can't risk driving away business with long fraud control measures, which can be interpreted by customers as poor service. It's a fine line and every day our insurance company members strive to achieve a balance between new business growth and critical fraud control measures.

An enhanced ability for insurers to collect, use and disclose more data, for the limited purpose of fighting fraud, could help. IBC believes there is a way to do this that is consistent with broader trends in the privacy space.

Innovative technologies, like telematics, could also assist in fighting underwriting fraud. [Telematics is an interdisciplinary field that encompasses telecommunications, vehicular technologies, for instance, road transport, road safety, electrical engineering, and computer science.]

IBC continues to grow through initiatives such as the Provincial Auto Theft Network (PATNET), IBC trains law enforcement officers on car theft trends, techniques and patterns. In 2018 IBC trained more than 2,100 participants in 30 information and training sessions.

Summary

In summary the International Fraud Forum was very informative, with many of the same issues that we are experiencing in New Zealand, such as public apathy towards fraud and vehicle claims being the predominant fraud.

All speakers commented on and reiterated each other's sentiments about the importance of collaboration. Not only between insurers, but also with external

stakeholders, such as law enforcement, government and the public. For only working together will fraud be stymied.

Many insurers are using the Braithwaite compliance triangle to assist clients and help front-line staff understand the dynamic of their claimants. However, the U.S. and UK are beginning to engage more with behavioural economics[i] to have an even better understanding of their clientele. The UK are using 'nudge' theory at policy inception and claim lodging times in an attempt to sway the more easily persuaded/influenced clients away from committing fraud.

Finally, the last point to be observed by all participants, is that the race for improved, faster and more efficient technology to provide a better customer service, such as artificial intelligence to service customers more efficiently can potentially be detrimental in combatting insurance fraud.

[i] Prof. Dan Ariely, a world leading behavioural economist author of a range of behavioural economic books.