

General Insurance Association of Singapore (GIA) offers up to S\$10,000 cash reward to encourage individuals to step-up against insurance fraud

Scheme is part of industry-led efforts to manage claims cost inflation and ensure continued accessibility of insurance in Singapore

SINGAPORE, 1 March 2019 – The General Insurance Association of Singapore (GIA) today introduced the GIA Insurance Fraud Tip-off (GIFT) scheme which rewards individuals up to S\$10,000 - based on the equivalent value of the fraudulent claim - for reporting insurance fraud cases that lead to successful prosecution and conviction of offenders. If there is more than one informant for a case, the panel of investigators will decide on the reward allocation to each informant¹.



The most common insurance fraud cases in Singapore are from the motor, travel and personal accident insurance segments.

Slated to be officially launched on 5 March 2019, GIFT is part of the Association's efforts to increase participation of all stakeholders - including general insurers, regulators, and members of the public - to collectively combat insurance fraud and mitigate claims costs inflation.

"Insurance fraud costs the industry millions of dollars each year and affects both insurers and consumers. We introduced this scheme to encourage members of the public to play a more pro-active role in tackling this problem together so that insurance in Singapore remains accessible," said Mr Chang Sucheng, GIA Insurance Fraud Committee Convenor.

Members of the public who have been approached to get involved in insurance fraud or are currently holding relevant evidence of others committing fraud should participate in the scheme. This is especially in view of the recently announced Criminal Law Reform Bill², where dishonest or fraudulent intent to deceive a victim is now an offence, rather than the effect of deception of the victim.

To qualify for the reward scheme, individuals are required to provide documentary evidence such as detailed descriptions of how the fraud was conducted, electronic document trails, actual copies of forged or tampered documents, or any another physical evidence that can prove the suspected fraud. Reports are to be submitted online at: <https://gia.org.sg/consumers/contact.html>.

The GIFT scheme builds on the success of the GIA Fraud Management System (FMS) which employs data analytics and artificial intelligence to detect fraud cases for motor and travel insurance. The system which was implemented in 2017 has since played a key role in helping the industry mitigate underwriting losses for the motor insurance segment which recorded underwriting losses in 2017 and the first half of 2018. To date, over 9000 suspicious motor and travel claims have been detected through the system.

– End –

¹ Terms and conditions available in Appendix C.

² Explainer: How the Criminal Law Reform Bill aims to fight crimes of the Internet age (13 February 2019). TODAY. Available at: <https://www.todayonline.com/singapore/explainer-how-criminal-law-reform-bill-aims-fight-crimes-internet-age>

Appendix A: Frequently Asked Questions

1. What is the GIA Insurance Fraud Tip-off reward scheme?

The reward scheme is the latest initiative developed by the General Insurance Association of Singapore (GIA) in its efforts in combating insurance fraud.

Insurance fraud is a serious concern that affects everyone. It costs the insurance sector millions of dollars each year and also costs the consumer – from insurance buyers to public transport users to patients seeking medical treatment.

The reward scheme encourages members of the public to report suspected insurance fraud cases by coming forward with information and supporting evidence to GIA.

Informants are paid if their information has led to successful conviction of the offender.

2. What is the investigation process like?

After a report is received, GIA will review the information and evidence provided. If the report has enough evidence to make out a case, we send the details to the affected insurers to investigate, and co-ordinate cases involving more than 1 insurer.

If the insurers conclude that there is strong suspicion or evidence of fraud, they will report the case to the law enforcement agencies.

The law enforcement agencies will investigate and prosecute the suspect where evidence has been made out.

3. What is the role of GIA?

We collect and review the reports if there is enough evidence to make out a case to start an investigation. If the report has enough evidence to make out a case, we send the details to the affected insurers to investigate, and co-ordinate cases involving more than 1 insurer.

We and our members have worked with the law enforcement authorities in Singapore to report and prosecute fraudsters. Many insurance fraudsters have been convicted and these cases have been reported in the news (e.g. the feature by CAD in Nov 2017).

Stakeholder	Role
GIA	Conducts first level screening and initiates joint investigations with affected insurers
Insurer	Investigates the claim and reports the offence to the law enforcement agencies
Law Enforcement Agencies	Investigates and prosecutes the offenders under the relevant laws such as the Penal Code

GIA pays the reward.

4. How can I report a case?

Members of the public who have been approached to participate in insurance fraud, such as by making false or inflated claims, or have firsthand information and relevant and specific evidence about others carrying out insurance fraud can submit reports online at: <https://gia.org.sg/consumers/contact.html>.

You should make a report only if you have direct access to inside information about the fraud. Hearsay information e.g. an overheard conversation from unknown third parties is unlikely to be useful to make out a case.

5. What kind of evidence must I submit?

Documentary evidence should show proof that the parties have conducted or are conducting insurance fraud. These include:

- a. **Detailed descriptions** of how the fraud was conducted, the parties involved and their roles
- b. **Electronic document trails** such as screenshots of email or phone messages
- c. **Digital proof** such as photos, voice or video recordings, call logs
- d. Actual copies or proof of **forged or tampered documents** that provide evidence of fraud
- e. Documents showing money transfers for the payments for wrongdoing
- f. Any other **physical/digital evidence** that can prove wrongdoing

The better the evidence, the more likelihood of success in making out the case.

6. When is the reward paid out?

After successful prosecution and conviction of the offender, GIA will pay the informant the equivalent value of the fraudulent claim up to S\$10,000.

We can only pay informants that have given us their particulars when making the report.

7. What if I don't give my particulars and contact details?

We understand that not everyone who reports wrongdoing may want to claim the reward.

If you have submitted a case with actionable evidence, we will investigate the case. However, without your particulars, we cannot pay you after the offender is convicted.

8. Can I make the report verbally instead of online?

As we will need the evidence to be submitted together with the report, you need to make the report online. Reports without actionable evidence are not likely to be useful.

Appendix B: Cases of insurance fraud in Singapore³

i. 10 Month's Jail for Committing Insurance Fraud

Lydia who was being hospitalized for minor injuries received from a motorbike lesson, was approached by Henry while still in hospital. Knowing that Lydia could not claim monetary expenses for her minor mishap, Henry told Lydia that he could help her get some money if she would contact him after she was discharged.

When they subsequently met, Henry brought along a friend and instructed Lydia to file a false motor accident report, offering \$100 to lodge the report. Henry taught the pair to claim that they were on a motorbike when a taxi abruptly cut into their lane, sending them both skidding.

While Henry's friend pulled out at the last minute, Lydia went ahead to make the false accident report with her insurance company.

However, when the insurance company started their investigations into her claim, Lydia decided to come clean about falsifying the accident report in a bid to make \$6,000 in insurance pay-out.

The court found the pair guilty and sentenced both Henry and Lydia to jail. As the instigator, Henry was jailed 10 months and Lydia was jailed 5 months for her involvement.

What it could have been: Report instead of supporting, avoid going to jail and be awarded instead!

If Lydia had reported the case to GIA with evidence such as electronic records of messages from Henry instructing her how to carry out the false claim, she would have been awarded up to S\$6,000 for her tip-off instead of being sent to jail for 5 months.

ii. Charged for Architecting Insurance Fraud

On 22 January 2019, 2 men and a woman were charged in court for their suspected involvement in insurance fraud.

On 20 March 2018, the Commercial Affairs Department (CAD) commenced investigations against a male chiropractor and two insurance agents for abetment to cheat an insurance company through false personal accident claims for treatments received at the chiropractor's clinics located at Tampines and Tanjong Pagar. Investigations revealed that between June 2017 and March 2018, the trio were believed to have conspired with one another, to instigate patients receiving treatment for pre-existing medical conditions at the chiropractor's clinics, to purchase personal accident insurance policies.

The patients could then make false personal accident claims against the insurance policies, for injuries purportedly sustained after they bought the policies, in order to receive payout from the insurance company for their chiropractic treatment.

There were 17 false claims totalling more than \$17,000, out of which about \$4,450 was paid out.

³ All names have been changed for anonymity

What it could have been: Report instead of supporting, avoid going to jail and be awarded instead!

If you were one of the patients already undergoing chiropractic treatment and approached by people who persuade you to buy a personal accident policy from them, and tell you that you could make false insurance claims for your future treatments by claiming that your injuries were sustained after you bought the policy, you should report this.

Collect and provide evidence such as email or text message trails, call logs and voice recordings of the wrongdoing.

By reporting the fraud instead of joining it, you can save yourself from being prosecuted and jailed, and earn yourself a reward instead.

iii. Unsuccessful Case: Insufficient Evidence to Prove Wrongdoing

Mr Ong's car bumped into the bumper of another vehicle. Mr Ong did not see any visible damage to the other vehicle when he inspected the damage after the minor collision. After the accident, the owner of the other vehicle made a claim against Mr Ong for \$3,000 damage to his vehicle.

Mr Ong, under the impression that the claim was unjustified, reported the matter to GIA claiming that the other party filed a fraudulent claim.

Mr Ong was unable to produce evidence such as in-car camera recordings that could show clearly that the other vehicle did not sustain damage as a result of that accident. He also could not submit evidence of the other party aggravating the damage after the accident.

Tip: A Case Cannot Be Made with only a Report without Enough Evidence

To prove wrongdoing, allegations, opinions or hearsay is not enough. The evidence must show that the alleged fraudulent act did take place.

Appendix C: Terms and Conditions

a) Reward

(Up to S\$10,000 will be rewarded for reports leading to successful prosecution and conviction):

- If claim amount is \leq S\$10,000, reward will be equivalent to the fraudulent claim amount.
 - If claim amount is $>$ S\$10,000, reward will be capped at S\$10,000
 - For inflated claims, the fraudulent claim amount will be the claim made minus what the actual value of the claim should have been
- b) Pay-out to the informant will be made after the perpetrator is prosecuted and convicted, and after the conclusion of appeals.
- c) Informant must be prepared to be interviewed by investigators from the relevant insurers and law enforcement agencies.
- d) Informant must be prepared to give evidence in court if needed.
- e) We will not be able to update informants on the investigations and the status. After an offender is charged in court and convicted, then the information on the status will become available publicly.
- f) Informants must give particulars and contact details to be eligible for the award. If we cannot identify and contact you, we cannot pay you.
- g) If there is more than one informant for a case that has been successfully prosecuted and convicted, the panel of investigators will decide on the reward allocation to each informant. The maximum total reward for a group of informants in each case will be \$10,000.
- h) If the reported case is already under investigation by the law enforcement agencies when the tip-off is received, GIA has the discretion to decide if the reward is payable for that case or not.
- i) GIA's decision on the reward for any case is final and not subject to challenge.

About the General Insurance Association of Singapore (GIA)

Established in 1966, the General Insurance Association of Singapore (GIA) is the general insurance industry's trade association whose membership comprises 37 Ordinary Members licensed by the Monetary Authority of Singapore (MAS) to transact general insurance business in Singapore.

As a Trade Association, GIA works to make all aspects of insurance easier and more effective for consumers, agents and insurance companies in Singapore. It helps identify emerging trends and responds to issues affecting the General Insurance industry and seeks to promote the overall growth and development of the sector in Singapore.

For more information, please visit www.gia.org.sg

新加坡普通保险协会(General Insurance Association of Singapore; 简称: GIA)是新加坡普通保险公司的商业代表,于1966年成立,旨在为消费者、代理商和保险公司之间提供更高效率的,更可信的接触渠道,为消费者提供更全面的保险范围。目前,该协会共有37个会员公司。了解更多信息,请游览官方网站: www.gia.org.sg.

For media queries, please contact:

GIA Corporate Communications

Jessica Li

Phone : (+65) 6202 9889

Email : jessica.li@gia.org.sg

Ogilvy Singapore

Amanda Chong

Phone : (+65) 6213 7781

Email : amanda.chong@ogilvy.com

Q Akashah

Phone : (+65) 6213 7881

Email : akashah.q@ogilvy.com