

Motor Insurance Fraud - Protect Yourself from Falling Victim to Fraud

Like other major cities around the world, many motor accidents in Singapore are simply unfortunate incidents and an inevitable risk for motorists in their everyday commute. But many are unaware that they may fall victim to another little-known danger.

What is Motor Insurance Fraud?

Motor insurance fraud is the act of deliberately cheating insurers and making false or exaggerated claims involving property damage or personal injuries as a result of a motor accident.

According to the Singapore Police Force's Commercial Affairs Department, the number of accidents reported as fraudulent has doubled, from 13 in 2016 to 26 as of September 2017. An estimation by the General Insurance Association of Singapore (GIA) suggests that almost 20% of all incurred motor claims are fraudulent.

Some common examples of motor insurance fraud include staged accidents where fraudsters "arrange" for accidents to occur; the use of phantom passengers where persons not even at the scene of the accident claim to have suffered injury, and making false personal injury claims for injuries that are grossly exaggerated.

Increasingly, such unethical practices have been linked to large-scale syndicates with highly sophisticated modus operandi involving the masterminds, recruiters, vehicle suppliers and even stunt drivers.



Spot to Stop Scams – It’s All in the Details

Unfortunately, insurance fraud result in insurers having to bear the financial losses, consequently causing insurance premiums to rise for consumers.

But there are many ways the motoring public can safeguard against being victims of insurance fraud.

One way motorists can protect themselves is by following the guidelines prescribed under the GIA Motor Claims Framework (MCF) in the event of an accident.

The MCF is a set of recommended steps that help guide motorists and more importantly, ensures an enhanced claims experience.

Prompt reporting and documenting of accident details is an important deterrent as it makes it difficult for potential fraudsters to manipulate accident details and submit fraudulent claims.



KEY POINTS OF THE MOTOR CLAIMS FRAMEWORK (MCF)



**IN CASE OF ACCIDENT, YOU SHOULD...
AVOID ALL UNAUTHORISED TOW-TRUCK OPERATORS OR REPAIR WORKSHOPS.**

1

Exchange particulars of involved parties including

- Name,
- NRIC / FIN,
- Telephone Number,
- Address and
- Insurer.

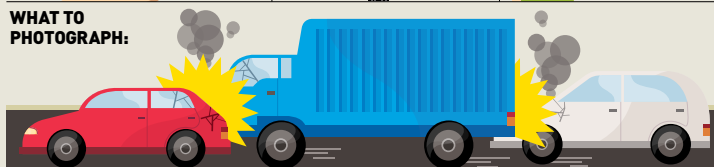
Take note of the **vehicle numbers.**



Take pictures at the **accident scene** and submit all pictures at your authorised accident reporting centre during your reporting.



WHAT TO PHOTOGRAPH:



SCENE

Take pictures of the accident scene capturing the accident vehicles and surrounding areas.



OWN VEHICLE

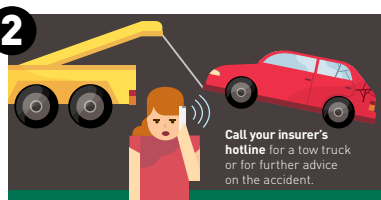
Take pictures of the damages to your own vehicle capturing your license plate.



OTHER DAMAGED VEHICLE(S)

Take pictures of the damages to all other vehicles involved in the accident capturing licence plates. For multiple vehicle collision, take pictures of those with direct contact, e.g. immediate front and immediate rear vehicles.

2



Call your insurer's **hotline** for a tow truck or for further advice on the accident.

3

Report and bring your accident vehicle (whether damaged or not) to the approved reporting centre / authorised workshop within **24 hours** or by the **next working day.**



Knowing When You Are Being “Hit”

1. Real Accident with Phantom passengers

Passengers who were not involved in the accident make fraudulent personal injury claims.

2. Real Accident with Phantom driver

A phantom driver replaces the actual driver to benefit from a fraudulent claim. This is usually done as the actual driver has no valid driving license.

3. “Staged Accident”

This is a deliberate accident caused and involves other innocent motorists. For example, a stunt driver may deliberately make an emergency brake to cause a chain collision. The syndicate will then plant “phantom passengers” and submit claims for the stunt driver and the “phantom passengers”.

In such situations, touts who may already have been on standby, will approach the innocent motorists to offer their claims or repair services.

4. “Engineered Accident”

This involves falsely reporting a motor accident and damages to the vehicle(s) involved. Very often, these accidents are reported to have happened in a secluded location and involve different phantom parties.

5. “Exaggerated/Inflated Claims”

Examples include deliberately causing further damage to the vehicle after the accident or fixing already damaged parts on the accident vehicle before it is inspected by insurance claims surveyors.

Workshops may also collude with surveyors to inflate their damage assessment and later claim for new parts, when the damaged parts were already repaired or little repair was required.

Busting Fraudulent Activity

The GIA has been collaborating with different stakeholders including the police to address insurance fraud concerns and has introduced the GIA Fraud Management System.

Leveraging data analytics, the system intensifies the insurance industry’s fraud detection and prevention capabilities and helps improve the fraud handling process.

Motorists and members of the public who suspect that they are victims of insurance fraud or suspect possible fraudulent activity are encouraged to file a fraud report with full details of the suspicious activities.

GIA Online Fraud Reporting -

<https://gia.org.sg/consumers/contact.html>

~~GIA Fraud Hotline – 1800 443 7283 (working hours only)~~

