

INDICATORS OF INJURY FRAUD

Individuals & Professionals Involved/Circumstances & Docs Detection—The First Line of Defense

PART 1 OF 2

MOST claims are legitimate, but some are fraudulent.

Therefore, it is appropriate to review all claims for possible fraud. Detecting fraud is aided by familiarity with industry identified fraud indicators.

INDICATORS assist in the identification of claims which merit closer scrutiny. The presence of an indicator (or several indicators) do not prove fraud. Indicators of possible fraud are not actual evidence, they only “indicate” the need for further investigation.

SOME claims, although questionable, may be paid due to a lack of conclusive evidence of fraud. However, they should be submitted as questionable claims to NICB for further review.

DOUBLE asterisk (**) indicates the possibility of organized group activity.

For additional information on the following indicators, please see the NICB’s Interactive Indicator Guide. This Guide is a software application providing the concern associated with each indicator as well as suggested resolution steps. The Interactive Indicator Guide is

available from the NICB Document Download Center (nicbdocs.org).

Initial Indicators: Usually identified in the initial/early processing of the application or claim.

Subsequent Indicators: Usually identified as the application or claim

processing continues. May also suggest areas of additional inquiry.

When viewed as a PDF, utilization of the bookmark function will provide the ability to choose an indicator topic or Control F can be used to rapidly locate specific key words within the indicators (e.g. address, receipts, police, etc.).

Attorney or Public Adjuster Indicators (Initial)

- All claimants represented by the same attorney or law firm. **
- Attorney (or public adjuster) reports claim to insurance company. **
- Attorney inquiries about a settlement or buy out early in the life of the claim.
- Attorney or law firm has previously represented the claimant on prior injury claims. **
- Attorney represents the claimant within 48 hours of the alleged accident. **
- Attorney/Public Adjuster uncooperative with the insurance company representative. **

- Attorney/Public Adjuster will not let the insured cooperate (e.g. The insured is not allowed speak with the insurer, to sign a financial release or complete a proof of loss). **
- Early involvement by the attorney in the claim process. **
- History of attorney disciplinary actions or has been the subject of NICB ForeWarn Alerts. **
- Legal action or additional legal action is threatened by the attorney unless a quick settlement is made.
- Mail to and from the insured/claimant is by and through his attorney. **
- Representation is contacted/obtained immediately after the accident/incident/loss is reported. **
- Representation letter or attorney lien is dated the day of or soon after the reported incident. **
- Settlement with the insurer is initially agreed to by the claimant, but after retaining an attorney, the claimant complains of increased subjective injuries. **
- Staff of the attorney are from other offices you are familiar with (due to previous questionable claims). **

Attorney or Public Adjuster Indicators (Subsequent)

- Attorney is from out of the area. **
- Attorney on record for the injured party frequently changes or attorney constantly misses hearing/deposition appointments. **
- High number of claims from attorney who recently passed the bar exam. **
- Medical clinic and attorney are linked together from prior injury claims. **
- Non-attorney or public adjuster performs attorney functions (duties more related to legal functions, which a licensed attorney should perform). **
- Office of the attorney is a satellite, run by an administrator. **
- Questionable claims (especially if numerous) involving the same attorney. **
- Same attorney appears in all BI/WC cases involving a particular medical provider. **
- Solicitation of new clients by the attorney at the clinic (and the insured/claimant is not provided a choice of attorneys). **
- Solicited (the injured party) by attorney's representative at medical clinic when seeking medical treatment. **
- Staff of the attorney handles claims and attorney is rarely or never seen at the office. **

Automobile Accident Scheme Indicators (Initial)

- Accident caused by sudden or unwarranted stop or lane change. **
- Accident description is similar to other claims recently reported (e.g. the striking vehicle is a hit and run). **
- Accident is minor but produces major medical costs and often lost wages, household help, transportation and unusually expensive demands for pain and suffering. **

- Accident occurs in a different state than the policy where there are higher limits and therefore higher coverage will apply to the claim. **
- Accident occurs late at night in a secluded area. **
- Accident occurs shortly after one or more of the vehicles were rented, purchased or registered. **
- Brake lights of the claimant vehicle never came on is indicated by the insured.**
- Claimant allegedly waved on insured to proceed and then struck them. **
- Claimant denies or has excuses for waving insured to proceed.**
- Driver is at fault and is not injured but all other passengers are.**
- Emergency medical responders were not called to the scene of accident.
- Injuries are not reported at the scene, but within a short period of time after the auto accident medical bills are submitted for treatment of injuries. **
- Insured, even though legally liable for auto accident, is adamant that claimants were responsible for the accident. **
- Location of auto accident is a parking lot (often resulting in injuries). **
- Location of reported auto accident with injuries occurred on private property near residence of those involved.
- Multiple passengers are in either vehicle. **
- Multiple passengers in the vehicle claiming the same type of injuries. **
- Mystery vehicle cuts off claimant's vehicle causing the accident. **
- Mystery vehicle driver (that cut off the claimant's vehicle for no apparent reason) and driver of claimant's vehicle appear to have been talking on the phone just prior to the collision is indicated by the insured. **
- Mystery/swoop vehicle was seen driving past the accident scene by the insured while waiting for police. **
- Occupant in claimant's vehicle was looking back at insured just prior to the collision is indicated by the insured. **
- Physical damage claim is extensive and expensive, but only minor, subjectively diagnosed injuries, with little or no medical treatment. **
- Police report does not list the claimant as injured. **
- Police report is not made in situations where police would normally investigate or an over-the-counter report for an accident resulting in multiple injuries and/or extensive physical damage. **
- Police report reflects a different number of occupants than the insurance company report. **
- Single car accident, late at night, in remote location, with no witnesses. **
- Swoop and squat scenario described. **
- Tow truck driver refers vehicle owner to repair shop, attorney and/or doctor.**
- Vehicle involved in "hit and run" injury loss cannot be identified. **

- Vehicle remains drivable, despite extensive damage claims (sometimes w/injuries). Often there are no towing charges for removing vehicle from the scene of the accident.**

Automobile Accident Scheme Indicators (Subsequent)

- Facts regarding the accident are the same from each party, in many cases using the same exact wording. **
- Location (can be specific or generally near) of accident has experienced multiple accidents. **
- Parties involved cannot remember why or where they were going, where they were coming from and why other passengers' stories are different. **
- Parties involved do not know names, addresses, phone numbers and/or relationship between passengers or each other. **
- Police respond to a location other than the accident scene or the claimant later shows up at the police station.

Claim Indicators (Initial)

- Accident description suggests possible "set up" scenario. **
- Address provided is incorrect. **
- Employment information is for an unknown business, a voicemail "message" that doesn't sound legitimate, often with a post office box for its address, or a street address in a residential area. **
- Location of accident is on private property with no accident report taken. **
- Locations involved in the claim are numerous (e.g. loss in one state, policy in another, and address in a third state). **
- Loss occurs soon after moving into area or acquiring insurance coverage. **
- Lost wages statement is handwritten or typed on blank paper (not business letterhead).**
- Lost wages verification with the employer raises doubts about employer's legitimacy, or about the actual employment of the individual.
- Medical treatment was not provided to the claimant after the incident.
- Phone numbers and contact numbers are different for driver/owner than named insured.
- Police report for the vehicle accident was taken over the telephone or via walk-in with no on scene investigation. **
- Police report not filed or filed late & police did not respond to the scene. **
- Police report shows the vehicle driver/owner is someone other than named insured on policy.
- Police report statements from the parties involved concerning the accident and/or injuries do not match statements given to insurance company. **

- Solicited (the injured party) within 24 - 72 hours and advised to seek medical treatment.**
- Solicited by telephone by an unknown person who advised them to seek treatment at a specific clinic/provider. **
- Solicitor contacting the injured party advises he/she is employed by the injured party's insurer and must seek treatment with a specific medical provider. **
- Solicitor contacts the injured party, stating they are from the treating hospital and that they are sending a car to take them to their physical therapy appointment as prescribed by the emergency room. **
- Solicitor goes to the injured person's home (uninvited) and offers to assist them in filing their claim. **
- Solicitor who contacted the injured party is drives him/her to the medical provider.**

Claim Indicators (Subsequent)

- Address and/or phone number are frequently changed. **
- Address of the insured and claimant has been the same in the past. **
- Address provided has a history of claims payments.
- Address provided is a small business like barber shop, deli, etc. **
- Address, place of contact is a hotel, tavern, or other place that is neither his/her place of employment nor place of residence. **
- Attorney, body shop and clinic frequently appear linked together in other claims with various insurance carriers, producers/agents. **
- Attorney/Medical provider is not located near the claimant/insured's residence.**
- History of submitting claims involving a specific chain of businesses. **
- Injuries claimed are not supported by physical damage. **
- Location of the accident/Injury was an area not under surveillance (i.e. a restroom, remote private parking lot, etc.).
- Loss covered by a personal lines policy appears to have occurred during a commercial business activity.
- Neighbors, friends and family are not aware of loss or claim.
- Payment is not made to the medical provider treating the claimant and the provider discovers the claimant provided a fictitious name. **
- Phone number of the injured party only appears on police report and/or tow truck paperwork. **
- Police report information concerning the vehicle owner, address, work info, contact info, etc. differs from that on the application, policy or claim notice.
- Prior claim connections between involved parties and witnesses. **
- Residence of the injured person, the accident location and medical facility have no relation to each other (e.g. claimant/insured travels an unexplained distance for medical treatment.).

- Solicitor contacting the injured party. **
- Vehicles of insured and claimant are similar (e.g. old cars, old damages, high mileage, purchased or registered out of state or area, recent insurance coverage, both cars are older model luxury cars, etc.). **

Claim Reporting Indicators (Initial)

- Delay in reporting loss with excuses for not reporting immediately. **

Damage Indicators (Subsequent)

- Damage appears to be intentionally caused. **
- Damage to claimant vehicle shows evidence that it pre-existed the accident. **
- Damage to vehicles is inconsistent with accident facts. **
- Damages to "struck" vehicle far more substantial than those to "striking" vehicle. **
- Damages/Losses presented by one or more parties are inconsistent with facts of loss/accident (lack of injury, damage causing mechanism, etc.).

Individual/s Involved Indicators (Initial)

- Abusive and threatening language is used if claim is not proceeding as they expected, then may reverse emotions and try to endear themselves. **
- Attorney "friend" has been consulted and he/she "knows" the value of the claim(s). **
- Business card for the medical/legal provider was given to the insured while they were at the mall or other busy public place. **
- Cannot recall where they were seated in the vehicle at the time of the accident. **
- Cannot be contacted by phone, cell phone or voicemail. **
- Description of accident by the injured person and his/her description of facts of the accident do not match accident scene.
- Documents that appear altered are provided.
- Employment started shortly before accident occurred.
- Fault is readily admitted and insured is anxious to do so. **
- History of injury related accidents within a short period of time (especially on one policy). **
- History of prior claims (often of similar type losses). **
- History of reporting subjective injuries.
- Identification cannot or will not be produced (e.g. driver's license), or has a temporary, recently issued, or out-of-state driver's license/state identification card. **
- Identified in previous NICB Questionable Claims. **
- Insured and claimant are from the same family. **
- Knowledge of insurance terminology and processes. **
- Mail and/or telephone avoided; provides all documents and handles all business transactions in person. **

- Not cooperative or forthcoming during interviews.
- Overly pushy, aggressive or demanding for a quick, and sometimes reduced settlement (possibly to avoid providing additional documentation).
- Phone number is not provided or states they do not have a home telephone or cellular phone and/or they will contact the adjuster or agent. **
- Previous connections are denied by the parties, but they are associated in prior claims.
- Referred to doctor or attorney by an individual at the scene. **
- Refuses to sign medical authorization.
- Selective memories on some facts, and cannot remember simple issues that would be common to remember. **
- Social media pages reference fraudulent or deceptive behavior.
- Spokesperson is the same for multiple persons. **
- Threatens adverse publicity unless claim is settled quickly.
- Threatens to obtain an attorney or go to a physician for further medical treatment if the claim is not quickly settled (but may delay doing so).**
- Travels an unusually long distance between the location of the injury, ER and their residence on the same day. **
- Uncooperative in documenting the loss. **
- Unusually familiar with insurance terms or procedures such as - medical terminology, workers compensation claim handling procedures and laws, vehicle repair terminology, coverage and special limits. **
- Vague on the actual facts of the loss or has discrepancies in the facts of loss.
- Witness is over eager and is too willing to be involved and/or accept blame for an accident. **
- Witness is/are relatives or friends of insured/claimant. **
- Witness version of loss does not coincide with facts of loss as presented. **
- Witnesses are relatives and the only ones who can verify the facts of loss and no police report was made. **

Individual/s Involved Indicators (Subsequent)

- Appointments for statements and EUO's are avoided and/or canceled.
- Description of the type and duration of treatment cannot be provided by the patient.**
- Monetary incentive due to the injured person financial situation.
- Multiple identities and/or social security numbers. **
- Parties involved in the accident know each other, work together, live together, are neighbors, or are in the same geographical area. **
- Party or parties involved may be employed in professional law office, clinic, billing service organization or check cashing agency. **
- Recent financial hardship.

- Witness appears to be involved in another case (sometimes with the insured/claimant) or as the insured or claimant. **
- Witness is the same witness appearing in prior claims (often with other insurance companies and with similar circumstances). **

Payment Indicators (Subsequent)

- Premium for auto policy was never paid, check returned for Non-Sufficient Funds or credit card declined. **
- Premium was paid in cash or a combination of credit card and cash. **

Policy or Coverage Indicators (Initial)

- Losses occur just before/after coverage takes effect, just before it ceases, just after it has been increased, or after a cancellation notice has been sent.
- Policy cancels shortly after the claim is filed, often for non-payment of premium.
- Policy has vehicles added online with loss occurring soon after. **

Policy or Coverage Indicators (Subsequent)

- Policy obtained from an agent not located in the close proximity to insured's residence or work. **

Repair Facility/Contractor Indicators – Vehicle (Subsequent)

- Agent/producer linked in other claims with body shops, clinic or attorney's office. **
- Body shop employees or owners have been known to provide referrals and/or transportation to the attorney's office or a medical clinic. **
- Body shop employees or owners have personal claims with attorney or clinic. **
- Link established between attorneys, clinics, participants, car rental agencies and body shops with various claims. **

Vehicle and/or Vessel Indicators (Initial)

- Claimant's vehicle is not insured. **
- Claimant's vehicle is older model and insured's vehicle is a high value, newer model. **
- Lien holder on the vehicle is not reported (especially for new and/or high value vehicle purchased with cash). **
- Purchased very recently. **
- Theft, claims and/or salvage history. **
- Vehicle driven by the insured person is an older model (often needing repairs) with minimal coverage. **

Vehicle and/or Vessel Indicators (Subsequent)

- Ownership of the vehicle research reveals discrepancies concerning true owner. **
- Registered to individuals not on the application or policy. **
- Registration of the vehicle is recent. **
- Registration research reveals the vehicle is registered to someone other than the insured or claimant. **
- Salvaged vehicle is involved in the accident. **