

Insurance Fraud Taskforce – stakeholder roundtable 19 October 2015

The event was attended by claimant and defendant lawyers, the insurance industry, regulators, government, and other organisations. The purpose of the event was to discuss views from stakeholders on the Taskforce's potential final recommendations.

Introduction from Taskforce chair David Hertzell

- David welcomed attendees and outlined the progress made by the Taskforce so far.

Stakeholder views

Consumer behaviour recommendations

- David stated that recommendations focusing on consumer behaviour were primarily targeted at reducing opportunistic fraud and that Taskforce members representing consumers have highlighted that insurance policies are often not understandable, leading some consumers to feel victimised, increasing the likelihood of exaggerated or fabricated claims.
- There was discussion about price negotiation at the point of quote and point of claim, for example insurer practices such as dual pricing and claims inflation by claimants. Industry representatives stated that consumers are encouraged to shop around to find the best prices. Consumer representatives stated that loyal customers face higher prices than new customers and feel hard done by this. It was noted that the Financial Conduct Authority (FCA) are undertaking work on auto-renewals in the general insurance market.
- One defendant lawyer representative stated that consumer behaviours vary among types of insurance, such as first and third party policies.

Legal framework recommendations

- There was discussion about elements of the civil justice system that create economic incentives for fraudsters. It was acknowledged that the Taskforce must take into consideration access to justice concerns when making any recommendations.
- Industry and defendant lawyer representatives highlighted that many soft tissue injury claims are made six months after the accident without any evidence of injury. In response,

claimant lawyer representatives stated that judges are highly sensitive to these matters, and there was discussion about whether the adversarial process is unhealthy for personal injury claims.

- It was noted that the Civil Justice Council (CJC) is investigating the number and cost of claims for noise-induced hearing loss (NIHL).
- There was discussion about the relationship between third party assistance and insurance fraud, with insurer representatives stating that such behaviour does not drive fraudulent claims and claimant lawyer representatives stating that claimants would get a fairer deal if they obtained legal advice prior to settling claims.

Regulatory recommendations

- There was discussion about data-sharing between industry and regulators and how regulators could work more closely together to tackle insurance fraud in areas such as nuisance calls.

Other

- There was discussion about data-sharing and how some in the industry are hesitant to share data, and that regulators could help clarify the data protection laws.
- David stated that Taskforce membership represents a wide variety of sectors and interests who don't usually communicate as well as they could, and this has led to constructive conversations in this area.
- There was discussion about how to ensure Taskforce recommendations are implemented to ensure accountability and independence. Claimant lawyer representatives stated that consumers/claimant should be represented in such a process.