

Insurance Fraud Taskforce – stakeholder roundtable 23 September 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.
- David said that increasing trust between customers and insurers (and the broader financial services industry) would likely lead to a reduction in fraud.
- David stated that any recommendations discussed are not final.
- David stated that most of the recommendations to be discussed at this stakeholder roundtable were strategic and high level and related to the broad themes of industry (best practice) and data-sharing.

Stakeholder views

Industry (best practice) recommendations

- David stated that there needs to be a base level of anti-fraud best practice identified and followed by the insurance industry.
- One delegate representing an insurer stated that the industry has not been proactive in producing a long term anti-fraud communications strategy, and that insurer behaviours that encourage insurance fraud, such as pre-medical offers, should be banned or discouraged. He also recommended that insurance fraud should be escalated to board level in order to push accountability higher up the chain.
- One delegate representing claimant lawyers suggested recommendations should be applicable to all insurers, not just members of trade bodies. Another delegate stated that self-insureds should also be recognised.
- The roundtable agreed that the Insurance Fraud Bureau (IFB) and Insurance Fraud Enforcement Department (IFED) are undertaking important and valuable work and that IFED have established good relationships with local police forces.

Data sharing recommendations

- David stated that some firms are over cautious about sharing anti-fraud data.
- One delegate representing an insurer stated that the scale of the problem of insurance fraud needs to be accurately identified since the industry are relying on outdated figures, however another delegate stated that the UK's benchmarking system is unrivalled in Europe.
- Delegates agreed that the industry should focus on improving the quality of anti-fraud data, especially at the point-of-quote and one delegate representing industry stated that conversation around data-sharing is claims-centred, and a more comprehensive strategy should be agreed to tackle application fraud.
- There was discussion of how the public and private sector could better share data.
- A number of representatives supported the model used in some US states, where firms have to tackle fraud by law.
- There was general consensus among delegates that clear guidance on data-sharing practices in relation to insurance fraud should be produced, and that the IFB should have access to more data associated with insurance fraud.
- One delegate representing the Arson Prevention Forum (APF) highlighted the cost of arson to the insurance industry, and society more generally, and suggested that industry should initiate a strategy to tackle this problem since more could be done to collect robust data on fraud associated with arson.
- Delegates supported the Civil Justice Council (CJC) investigation into the number and cost of noise-induced hearing loss claims.

Other

- There was general consensus among delegates that an independent body could be established to implement Taskforce recommendations, however there was no consensus on who would coordinate or fund this.