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## Red Flag Indicators

Quick reference guide  
*Claims Investigation Unit*



Following your attendance at our 2012 Fraud Masterclass, this document is designed to act as a guide to highlight some of the key indicators to consider when handling claims that you believe may be fraudulent. Please note that the elements referred to in the lists below are examples of areas to consider and are not intended to represent all factors present in a fraudulent claim. In addition, you may find some of the characteristics below are present in a genuine and valid claim, again reinforcing the fact that this document is to be used as a guide only.

## Employers' Liability Injury Red Flag Indicators

### CLAIMANT

- Personal financial problems?
- Is Claimant too aggressive / nice?
- Undue knowledge of insurance procedure?
- Refusal to sign mandates for records / attend medical examinations / sign statement of truth
- Readily accepts reduced claim
- History of similar claims / multiple claims history – Cache matches?
- Disgruntled employee / ex employee
- Temporary staff
- Personal issues with local Council
- Known disciplinary problems?

### DOCUMENTATION / MEDICAL EVIDENCE

- No supporting medical evidence
- Delay in providing mandates etc for medical records
- Delay in providing medical evidence
- Excessive specials claim with no documentation / injury not consistent with special damages
- Vague description of injuries
- Medical evidence does not support injury claimed
- Medical records not reviewed for purpose of medical report
- Medico-legal agent involved in other suspicious claims that are subject to investigation
- Do the CRU benefits match the medical evidence? EG / No benefits but saying they are unable to work
- Minor accident resulting in psychiatric problems.

### WITNESSES / AGENTS

- An agent involved in other suspicious claims
- An agent instructed within 5 days of incident
- Witness known to claimant
- Witness reluctant to sign statement
- Witness details supplied some time after incident.

### CIRCUMSTANCES

- Vague / conflicting – gaps in detail
- Injury not recorded / documented in accident book
- Injury circumstances different to circumstances in medical records
- Seasonal worker
- Before / after termination of employment – on notice of disciplinary / redundancy
- Changes to account / time / location / witness details
- Delay seeking medical treatment / no medical treatment sought.
- No time off work
- Exacerbation of previous injury
- Undue delay notifying claim
- Unwitnessed accident / claimant working alone or in isolation
- Feeling claim is premeditated
- Are other colleagues involved.

The most important Red Flag: **GUT**

Do you feel that something is just not right?

Do you believe what you are being told?

# Public Liability Injury / Product Injury Red Flag Indicators

## CLAIMANT

- Personal financial problems?
- Is Claimant too aggressive / nice?
- Undue knowledge of insurance procedure?
- Refusal to sign mandates for records / attend medical exam/sign statement of truth
- Readily accepts reduced claim
- History of similar claims / multiple claims history – Cache matches?
- Claimant unemployed?
- Personal issues with local Council.

## WITNESSES / AGENTS

- An agent involved in other suspicious claims
- An agent instructed within 5 days of incident
- Witness known to claimant
- Witness reluctant to sign statement
- Witness details supplied some time after incident.

*Has there been a tip off – anonymous or otherwise?*

## CIRCUMSTANCES

- Vague / conflicting – gaps in detail
- Injury not reported to the Insured / authorities (police/ambulance)
- Injury circumstances different to circumstances in medical records
- Changes to account / time / location / witness details
- Delay seeking medical treatment / no medical treatment sought
- No time off work
- Exacerbation of previous injury
- Undue delay notifying claim
- Unwitnessed accident
- Alcohol / drugs involved
- Late night / early morning accident
- Claimant knows the area well
- Claimant would not need to walk through the area on journey.

## DOCUMENTATION / MEDICAL EVIDENCE

- No supporting medical evidence
- Delay in providing mandates etc for medical records
- Delay in providing medical evidence
- Excessive specials claim with no documentation / injury not consistent with special damages
- Vague description of injuries
- Medical evidence does not support injury claimed
- Medical records not reviewed for purpose of medical report
- Medical expert involved in other suspicious claims
- Do the CRU benefits match the medical evidence? EG / No benefits but saying they are unable to work
- Minor accident resulting in psychiatric problems.

## FEELING

Not right with the claim?

old?

# Property Red Flag Indicators

*Has there been a tip off – anonymous or otherwise?*

## CLAIMANT

- Financial problems?
- Is Claimant overly aggressive or too nice?
- Does the claimant seem to have undue knowledge of insurance procedure?
- Refusal to provide substantiation
- Readily accepts reduced claim / compromise
- History of similar claims or has multiple claims history – are there any Cache matches?
- Cash settlement requested immediately?
- Delayed submission of claim
- Failure to respond to requests for substantiation
- Pressure to make early payment?

## REPRESENTATION

- Solicitor involved on low value claim
- Claim being handled by a 'friend' with legal knowledge.

## CIRCUMSTANCES

- Vague / conflicting / changing – gaps in detail
- Damage / loss inconsistent with circumstances
- Loss not reported to authorities (police / fire / household insurer etc)
- Loss incompatible with lifestyle / means
- Significant cash loss
- Damaged property disposed of prior to inspection
- Inspection of damage refused / made difficult
- Pre existing damage
- Have any repairs been carried out before we were notified of claim?
- Second claim for same items.

## DOCUMENTATION

- Names and addresses on documents / receipts inconsistent with claimant name / loss address
- Forged / false / altered documents
- Handwriting on docs matches claimants
- Valuations for high value items issued shortly pre loss
- Replacement estimates available shortly post loss / offered without prompting
- Replacement estimate from untraceable supplier / friend of claimant / claimant's own company
- Substantiating documentation missing contact details, VAT numbers etc
- High value items lacking substantiation
- Lack of / too much documentation
- When VAT is charged is there a valid VAT number on the invoice?

Do not forget your  
**GUT FEELING**

Do you believe what you  
are being told?

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