Beat: Business

The insurance fraud increased by 500% in Spain

Professionalisation of fraud is detected

Madrid, 16.03.2015, 17:32 Time

USPA NEWS - Organized fraud, ie, one in which frames or bands involved professionally engaged in defrauding the insurance is significantly increased in Spain. Meanwhile, occasional cases of premeditated fraud soften coming experienced growth in recent years.

This is one of the conclusions of the II Map AXA fraud in Spain, which reveals that the number of frames organized detected over seven cases in 2013, 45 in 2014, representing an increase of over 500%. For Arturo López Linares, head of Management and Fraud Recoveries of AXA, "these data are a result, first, the increased efforts and resources of the company to combat fraud and, secondly, the increase in the number itself organized gangs whose objective is financed defrauding the insurance through complex processes and industrialized."

There are three types of insurance fraud. On the one hand, casual or opportunistic, fraud is, one that leverages the reality of a loss to introduce pre-existing or previous damage. While still remaining the most common practice, it has been reduced to 2013, from 58.2% assuming 57% of the total slightly. This type of fraud is mostly low intensity, in which the object of fraud in 71% of cases is less than 600 €. On the other side is the premeditated fraud. These are cases where the damages claimed are real or fictitious, but all have been planned in advance.

They are often seen involved several people and 42% of fraud cases avoided during 2014. Their average cost is 41% higher than the occasional fraud, and the perpetrator tries to get the maximum economic benefit, which the average compensation rises to almost € 4,500. Finally there is the aforementioned organized fraud, which despite assuming 1% of all cases, is the most dangerous and that is experiencing the biggest increase.

AXA report shows that, although all Spanish regions are impacted by any plot, the Levant recorded a higher incidence of cases, especially those related to auto fraud. Addressing the causes leading to commit fraud in an accident, AXA study concludes that in 70% of cases is because the damages claimed have nothing to do with the incident, either try to exaggerate thereof to cover damage other than damage to own the accident. Proof of this is that parts of favor (those in which the otherwise insured assumes guilty) have been multiplied by 2.3 in the last two years. Entering more detail shows that the parts of favor among family have increased 6 points in the last two years.

AXA's report notes that there was a 11% increase in fraudulent claims to the company claiming an amount less than 600 euros, 30% in the last two years in 2014. The bouquet which focuses more fraud attempts is Auto, with over 67%, followed by Multirisk (Home, Commerce and Offices, and Communities), with over 25%; and miscellaneous (RC, Transportation, Industry, Health, Accident and Life), with more than 7%. Of the three lines of business, which has experienced the greatest increase in cases in 2014 has been Multirisk, where attempts to defraud the insurance rose nearly 14%.

Fraud cases where damage was alluding account for 84% of the total compared to 16% in the absence of undue compensation for bodily injury is claimed. In terms of its evolution in 2014, claims materials grew 10.3% last year, while the body has only grown by 0.4%. With respect to body claims, it should be noted that cases in which a lesion is declared when there was a pre-existing disease has increased 233% over the last two years. Specifically, whiplash cases that were not such exaggerated or whose effects have increased by 40% over the same period.

The fraud rate increased last year in all Spanish regions, except for Madrid, to put the national average at 1.2%. The City of Ceuta, with 3.17%, and Andalucia, with 2.04%, are the regions with higher rates of insurance fraud. For Ceuta, cases have increased by 6 in just two years, from a rate of 0.53% in 2012 to the current 3.17%. In Andalucia fraud has increased 50% in just two years. In La Rioja, Cantabria, Andalucia and the Canary Island fraud rate in 2014 increased 0.35%.

The II AXA Map of fraud in Spain marks a very significant number of claims increased by atmospheric causes. The wind fraudulent cases have grown 63% in 2014, to 113. In addition, the number of fraudulent claims motivated by a lightning strike has tripled. One of

the most common modus operandi is one in which an insured, often unemployed or on low incomes, fakes an accident in which another person is involved that is in collusion with the plot. The latter goes to a lawyer, mastermind of the operation, which handles the claim on your behalf in exchange for most of compensation. The rest of the money is split between insured and victim.

Another type is one in which peddlers and shop owners are responsible for purchasing vehicles in poor condition to pretend theft, fire or total claims and benefit economically. One of the most innovative practices is trying to "take advantage" to the maximum of guarantees of the policy. This is the case of Reticar policy, for which payment is covered by the insurer of a monthly allowance to mark the withdrawal of license. AXA has identified groups of people, university students, unemployed or low-income, after removed the driver's license, intentionally cause the withdrawal of the driving license.

Article online:
https://www.uspa24.com/bericht-3571/the-insurance-fraud-increased-by-500-in-spain.html

Editorial office and responsibility:
V.i.S.d.P. & Sect. 6 MDStV (German Interstate Media Services Agreement): Jose A. Martin

Exemption from liability:
The publisher shall assume no liability for the accuracy or completeness of the published report and is merely providing space for the submission of and access to third-party content. Liability for the content of a report lies solely with the author of such report. Jose A. Martin

Editorial program service of General News Agency:
United Press Association, Inc.
3651 Lindell Road, Suite D168
Las Vegas, NV 89103, USA
(702) 943.0321 Local
(702) 943.0233 Facsimile
info@unitedpressassociation.org
info@gna24.com
www.gna24.com