

SIU/FRAUD: Red Flag!



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A Professional Corporation

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WHAT IS SIU?



Red Flags

- Immediately retains lawyer
- Overly pushy to settle claim
- Overly familiar with terminology
- Minor PD but serious BI
- Mismatched facts and injury
- Extensive damage but no police report
- Loss right after inception or increased coverage
- Falsified/suspicious/missing documentation
- Multiple claims in a short time
- Story keeps changing or does not make sense
- Cost of stolen items exceeds insured's means
- In a fire, sentimental items not destroyed
- Medical treatment is excessive
- First notice of loss is from attorney
- Injury is not witnessed

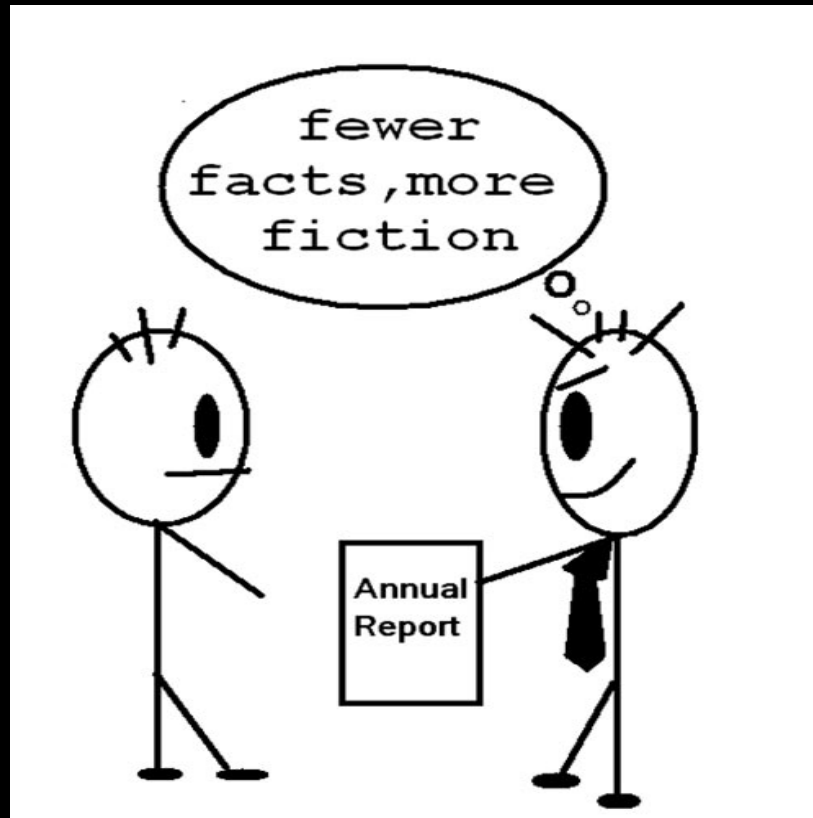
WHO CAN COMMIT INSURANCE FRAUD?

Potentially anyone!



"That takes care of health, life,
homeowner's, and car — now,
how about some alien abduction
insurance?"

Agents and Brokers



Underwriters

Third Parties

PREVENT
SLIPS, TRIPS, AND FALLS

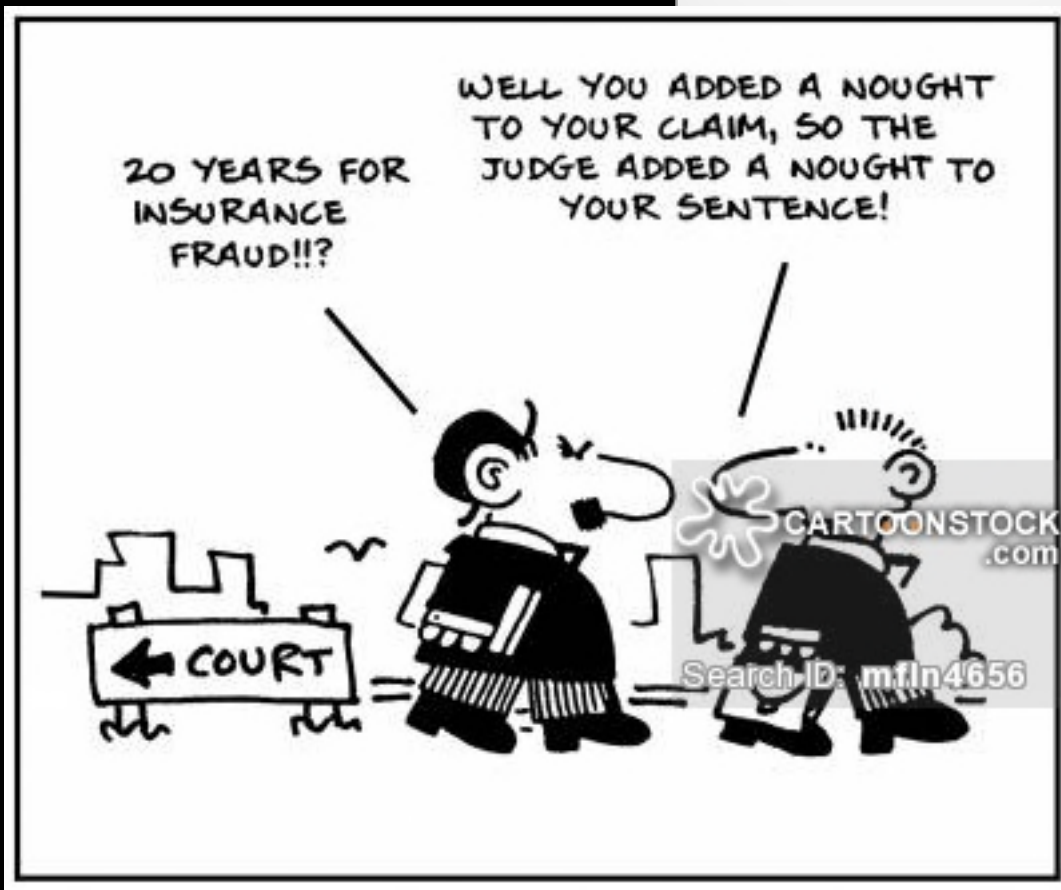


IF YOU NOTICE A HAZARD, ACT.



Policyholders

Types of Fraud



- Hard Fraud
- Soft Fraud

Fun Facts

- **“Burning Desire”**: claimant botched arson, leveled neighborhood, and killed neighbors
- **“Puppy Plot”**: 30 puppies trapped when for-hire arsonist gassed a pet store (they were rescued, and no puppies were harmed)
- **“Dollars & Dents”**: kingpin of crash ring in NYC made more than \$279 million in injury claims from setup wrecks
- **“Spineless Spinal Con”**: surgeon fused spines of healthy patients to steal \$32 million of insurance money. Some were permanently disabled
- **“Unsettling Settlements”**: attorney stole settlements from 50 clients

- **“Unhealthy health plans”**: fake health plans sold to at least 12,000 consumers for \$14 million, leaving many with thousands of dollars of unpaid medical bills
- **“Police raid”**: Police officer bought many Mercedes he could not afford and crashed/burned them to collect insurance proceeds
- **“Lifeless life plot”**: claimant bribed officials to declare he died in South America, and attempted to steal his own life insurance money
- **“Deadly life insurance”**: father beat his son to death and threw him in the river for 50k in life insurance

**HOW DOES SIU
INVESTIGATE
CLAIMS?**

INVESTIGATION



- ❑ Examination Under Oath ("EUO")
- ❑ Requests for supporting documentation
- ❑ Background checks
- ❑ Surveillance

Examination Under Oath

Formal proceeding in which an insured is questioned under oath under penalty of perjury in the presence of a court reporter by an insurance company representative, which may be counsel retained by the insurer

Coordination Between Claims SIU, and Counsel

STARTS WITH A RED FLAG

- ❑ Claims is filed, assigned to adjuster
- ❑ SIU evaluates and decides whether further investigation is warranted
- ❑ SIU accepts the claim
- ❑ SIU conducts investigation, which may include referral to counsel for EUO
- ❑ Counsel conducts EUO to obtain additional information/documentation
- ❑ Additional information obtained by counsel is provided back to SIU/adjuster
- ❑ A decision is made about a plan of action

Coordination Between SIU, Claims, and Counsel

Public Policy



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