

Staged Vehicle Accidents

Intelligence, Analytics,
& Operations



Education &
Crime Prevention



Strategy, Policy,
& Advocacy





Intelligence, Analytics, & Operations

NICB develops, compiles, analyzes and disseminates information to help prevent, detect and deter insurance fraud.



Education & Crime Prevention

NICB delivers customized, face-to-face training and education



Strategy, Policy, & Advocacy

NICB's leads the property-casualty industry's anti-fraud and vehicle theft legislative and regulatory agenda.



About NICB

Mission

Through intelligence-driven operations, NICB leads a united effort to combat and prevent insurance crime.

Our Vision

To be the preeminent organization fighting insurance crime.



Welcome!

Our session will begin shortly....

FraudSmart®
Staged Vehicle Accidents Webinar

National Insurance Crime Bureau

Instructor

Ronald Michel
Supervisor Agent



Supervisor of the Major Medical Fraud Task Force in Los Angeles since August of 2007
27 years with NICB
Retired from the LAPD after 20 years

AGENDA

Staged Vehicle Accidents

O v e r v i e w

I n t r o d u c t i o n

T y p e s o f S t a g e d A c c i d e n t s

A c t i o n S t e p s

C l o s i n g

Overview

Course Objective

- To provide insurance professionals with an overview of different staged accident schemes, fraud indicators, and action steps that can be utilized to resolve inconsistencies and aid in the identification of questionable claims.
- Plus topics you want to cover

Learning Objectives

- The student will recognize the three types of staged vehicle accidents
- The student will recognize staged vehicle accident fraud indicators and the action steps used to identify questionable claims.



NICB Fraud Indicators

Download NICB Indicators of Fraud

<https://www.nicb.org/document-download-center>

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- Field Agent Search
- Departments Contacts
- Field Operations
- Government Affairs
- Learning & Development
- FraudSmart

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Guides and Indicators

TITLE CATEGORY SORT BY

- Any - Title Asc

Title	Pages	Category	File Type	Year
2018 Vehicle Finance Fraud Investigation Checklist	1	Guide	PDF	2018

Indicators of Injury Fraud (1 of 2) Individuals & Professionals Involved/Circumstances & Docs Detection- The First Line of Defense

Most claims are legitimate, but some are fraudulent. Therefore, it is appropriate to review all claims for possible fraud. Detecting fraud is aided by familiarity with industry identified fraud indicators.

Indicators assist in the identification of claims which merit closer scrutiny. The presence of an indicator (or several indicators) do not prove fraud. Indicators of possible fraud are not actual evidence, they only "indicate" the need for further investigation.

Some claims, although questionable, may be paid due to a lack of conclusive evidence of fraud. However, they should be submitted as questionable claims to NICB for further review.

Double asterisk (**) indicates the possibility of organized group activity.

For additional information on the following indicators, please see the NICB's Interactive Indicator Guide. This Guide is a software application providing the concern associated with each indicator as well as suggested resolution steps. The Interactive Indicator Guide is available from the NICB Document Download Center ([nicbdocs.org](#))

Initial Indicators: Usually identified in the initial/early processing of the application or claim.
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When viewed as a PDF, Control F can be used to rapidly locate specific key words

Introduction

Staged Accident Scenario





Scenario Fraud Indicators

- Accident occurs late at night in a secluded area
- Accident occurs on a curve in the road
- Vehicle was struck from behind
- Third party claimant involved in auto accident after leaving a bar



Additional Fraud Indicators in Scenario

- Mystery vehicle cuts off claimant's vehicle causing the accident.
- Accident description suggests possible "set up" scenario.
- Swoop and squat scenario described.



How Big is the Problem?

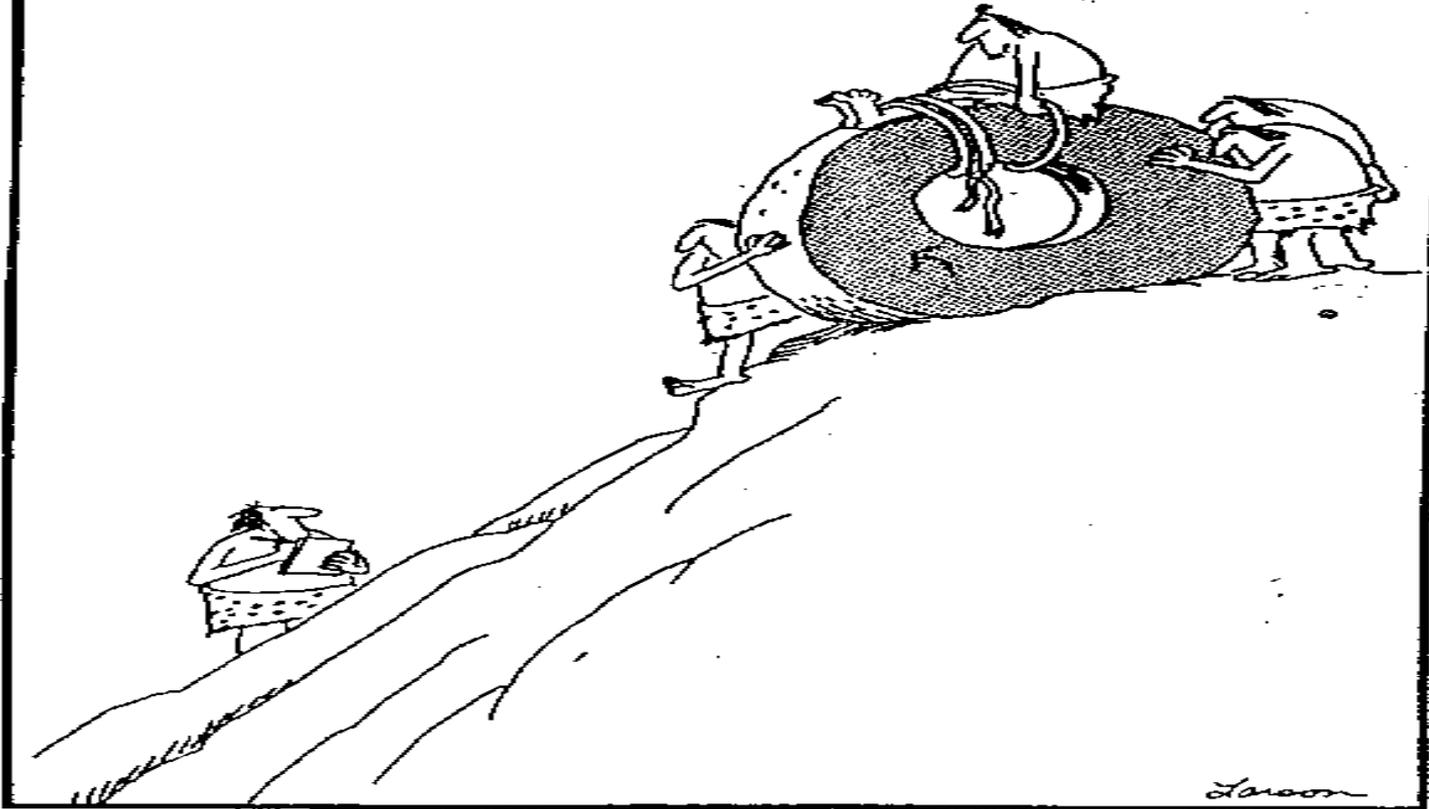
The NICB receives over 120,000 questionable claims per year and the majority of them are personal auto related.



Caught on Tape!



1984 B.C.



Larson

FIRST RECORDED STAGED AUTO ACCIDENT

Staged Accident Organized Groups

- Highly organized and structured
- Closely associated with law office/medical clinic
- Operate in similar patterns



What does the staged accident group want?

The Set-Up:

- Surface street
- Nice neighborhood
- Fairly slow-moving traffic

Looking for....

- New cars/commercial vehicles
- Women or Elderly Drivers





Poll

The three types of staged accidents are the orchestrated (staged) accident, the paper accident, and the caused accident.

True or False?



Correct Answer

The three types of staged accidents are the orchestrated (staged) accident, the paper accident, and the caused accident.

True



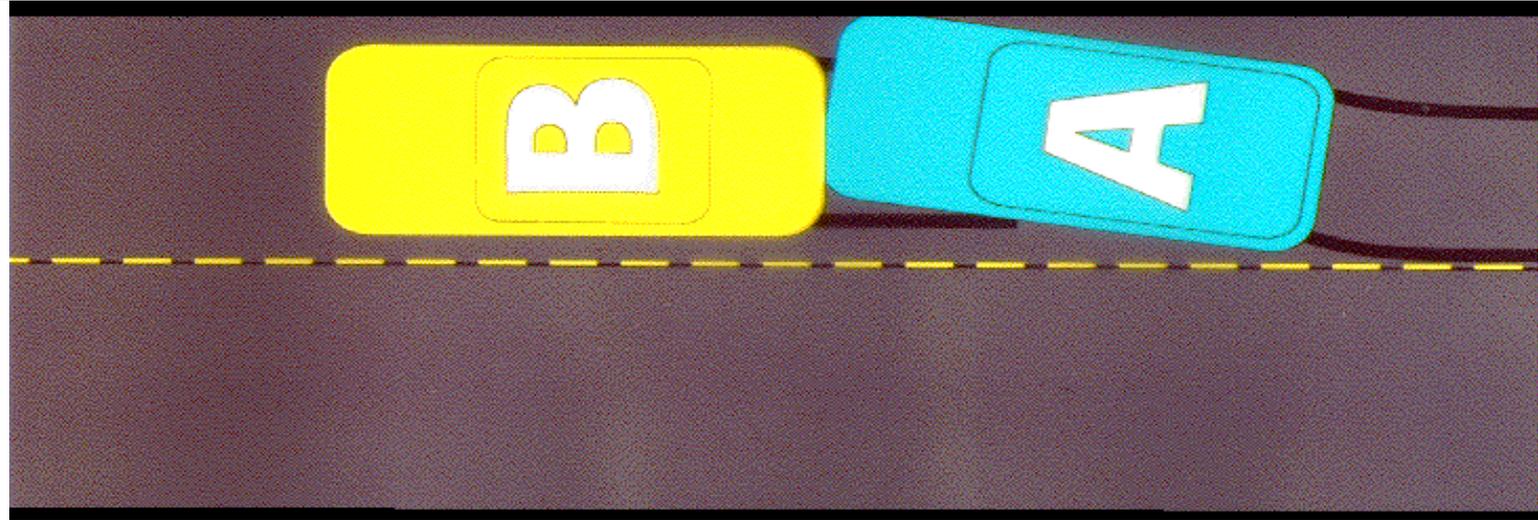
Types of Staged Accidents

Three Types of Staged Accidents

- Orchestrated
- Paper
- Caused
 - Panic Stop
 - Drive Down
 - Swoop & Squat



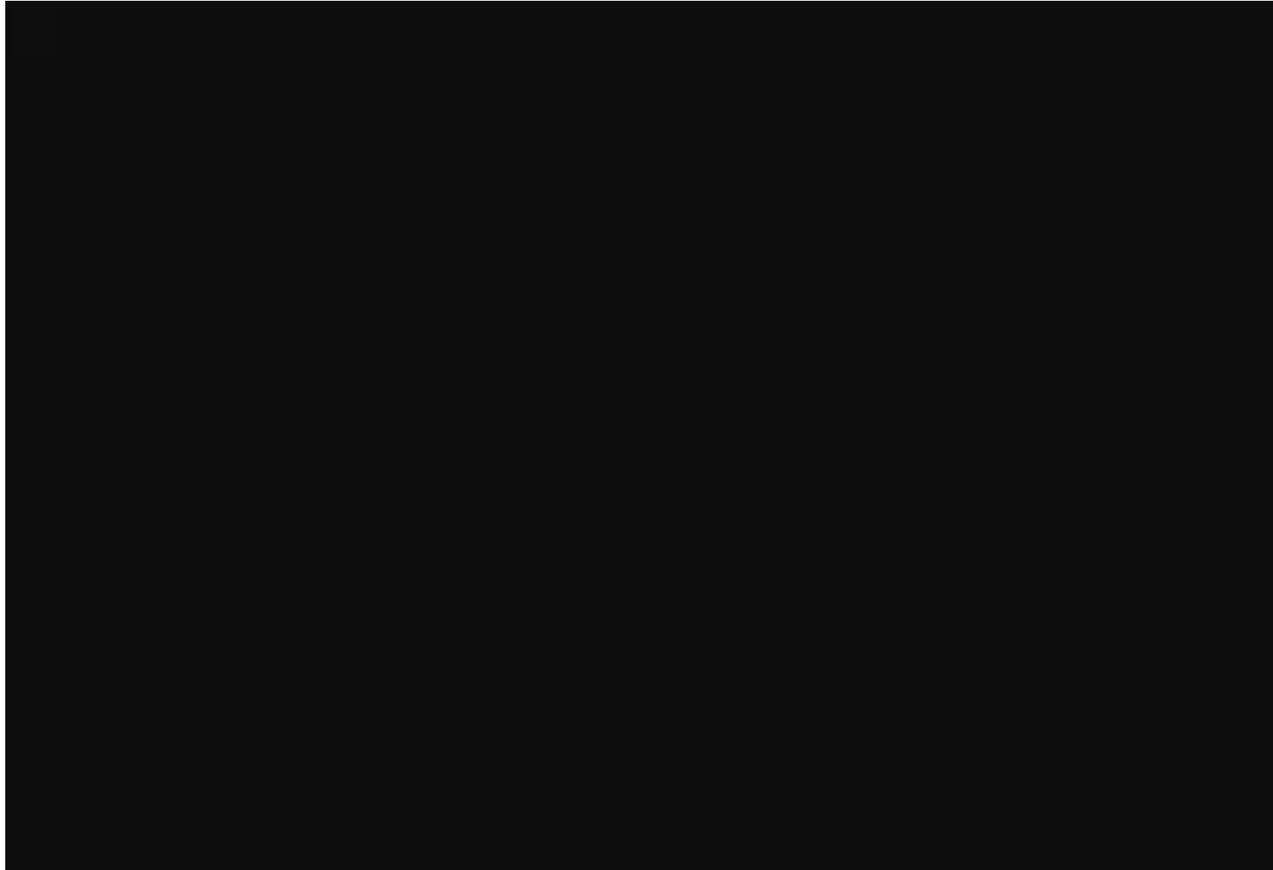
The Panic Stop



A – TARGET VEHICLE

B – SUSPECT VEHICLE WITH DRIVER & PASSENGERS

Panic Stop



Panic Stop Fraud Indicators

- Accident caused by sudden or unwarranted stop or lane change.
- Brake lights of the claimant vehicle never came on is indicated by the insured.

Indicators of Vehicle PD Fraud (1 of 2) Individuals & Professionals Involved/Circumstances & Docs Detection- The First Line of Defense

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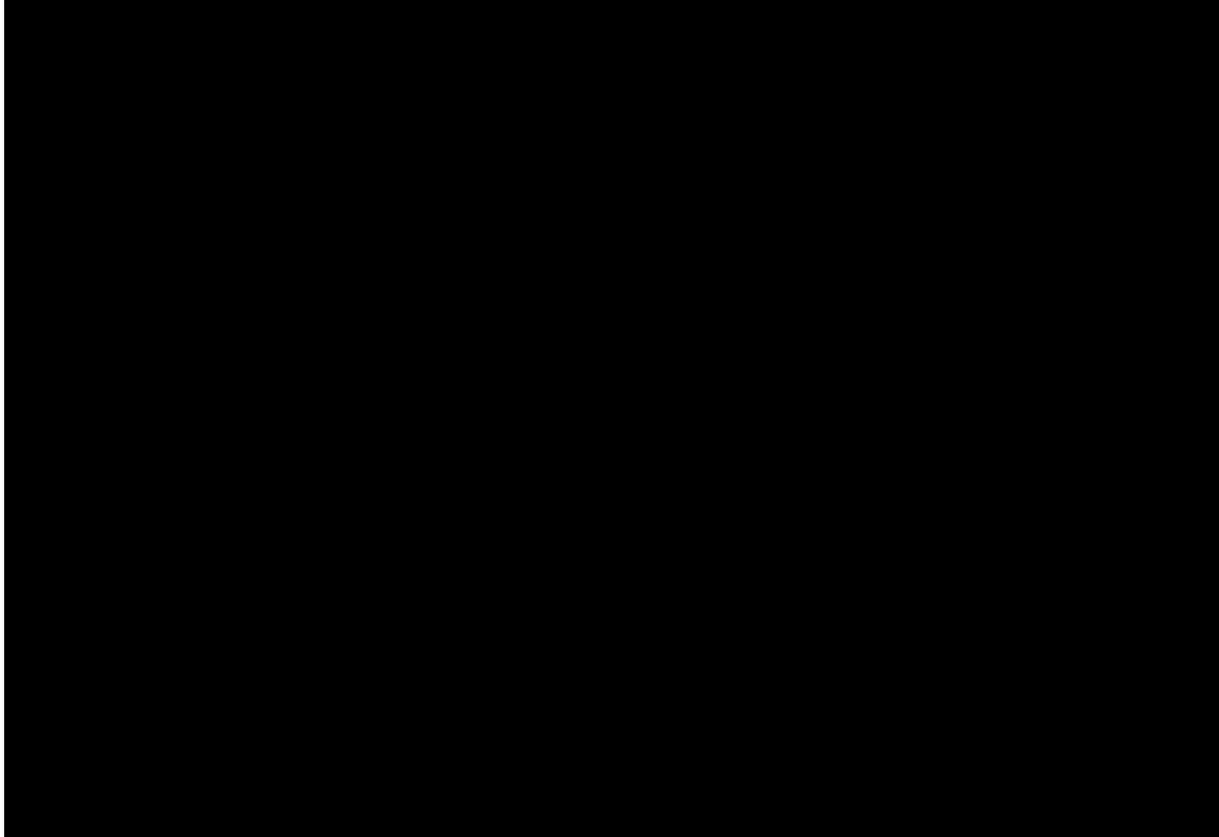
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The Drive Down



Drive Down



Drive Down Fraud Indicators

- Claimant allegedly waved on insured to proceed and then struck them.
- Claimant denies or has excuses for waving insured to proceed.

Indicators of Vehicle PD Fraud (1 of 2) Individuals & Professionals Involved/Circumstances & Docs Detection- The First Line of Defense

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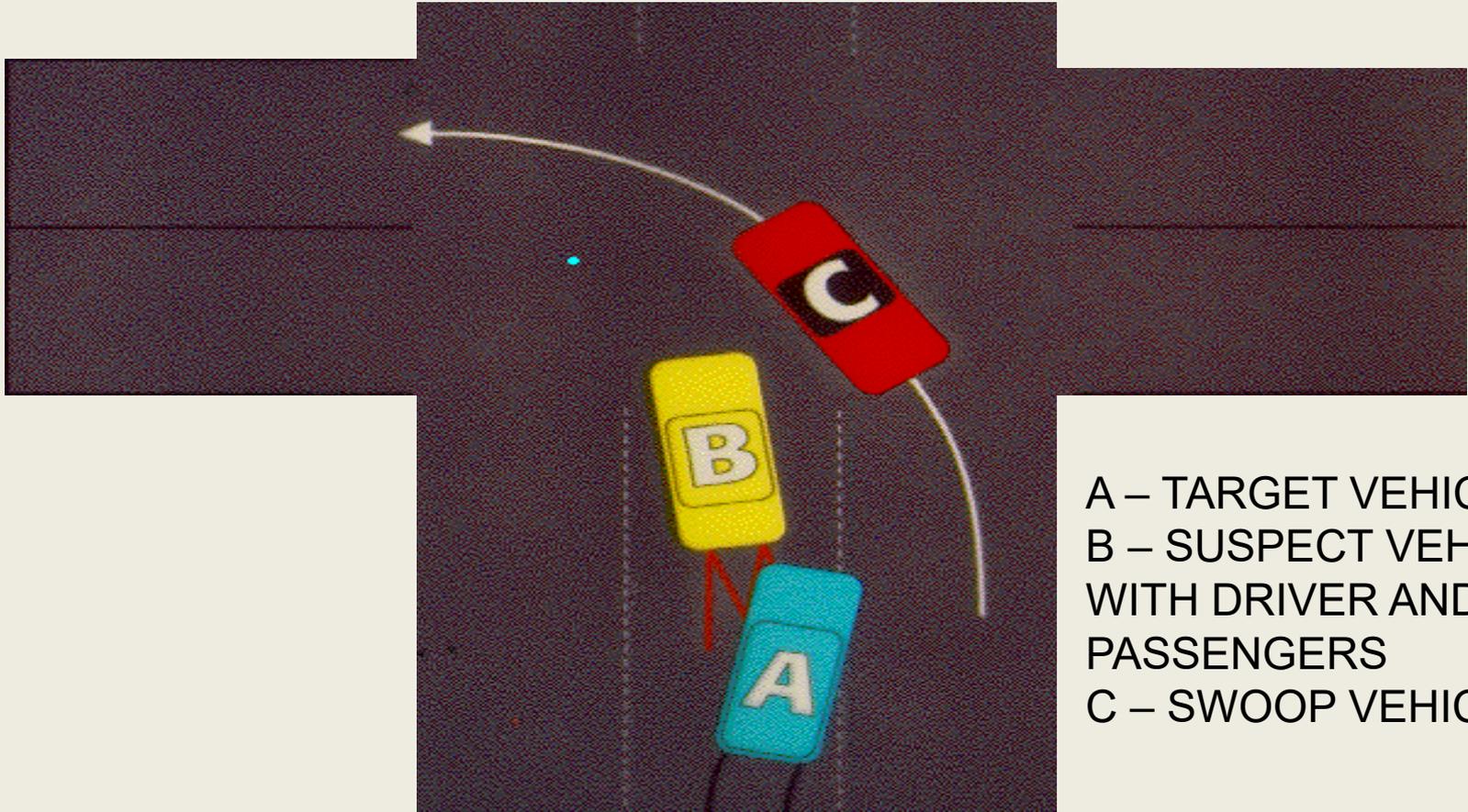
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Swoop and Squat



A – TARGET VEHICLE
B – SUSPECT VEHICLE
WITH DRIVER AND
PASSENGERS
C – SWOOP VEHICLE

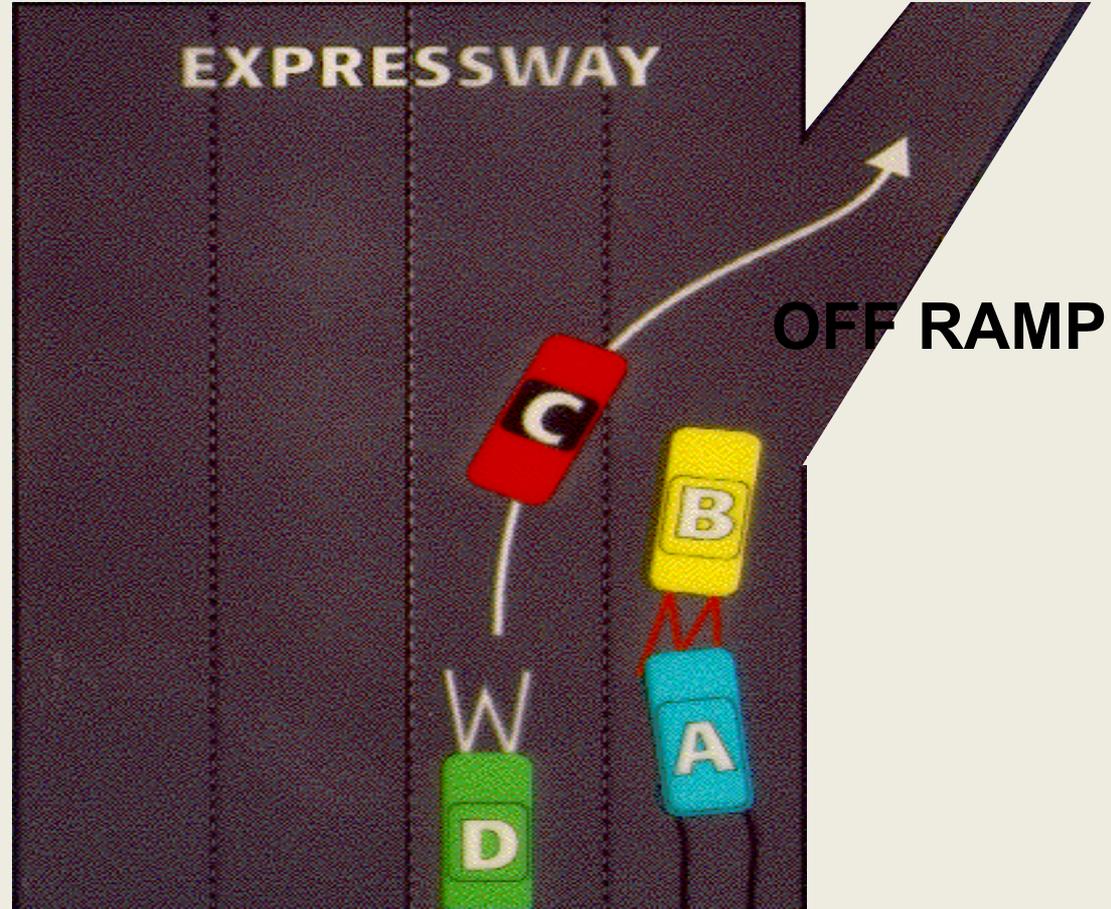
Swoop and Squat



Freeway Swoop and Squat

- A – TARGET VEHICLE
- B – SUSPECT VEHICLE WTH DRIVER & PASSENGERS
- C – SWOOP VEHICLE
- D – GUIDE VEHICLE

“D” VEHICLE SIGNALS WITH LIGHTS WHEN VEHICLES ARE IN POSITION. “C” VEHICLE THEN CUTS ACROSS LANE #4 CAUSING “B” VEHICLE TO HIT THE BRAKES AND BE STRUCK BY “A” VEHICLE FROM THE REAR



Freeway Swoop and Squat



Swoop and Squat Fraud Indicators

- Occupant in claimant's vehicle was looking back at insured just prior to the collision is indicated by the insured.
- Mystery/swoop vehicle was seen driving past the accident scene by the insured while waiting for police.

Indicators of Vehicle PD Fraud (1 of 2) Individuals & Professionals Involved/Circumstances & Docs Detection- The First Line of Defense

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Poll

Which of the following involved parties in a suspected staged accident should be researched in ISO?

- a) Vehicle owners
- b) Responding officers
- c) All drivers, passengers, and witnesses
- d) Agents, Underwriters, and Special Investigators



Correct Answer

Which of the following involved parties in a suspected staged accident should be researched in ISO?

- a) Vehicle owners
- b) Responding officers
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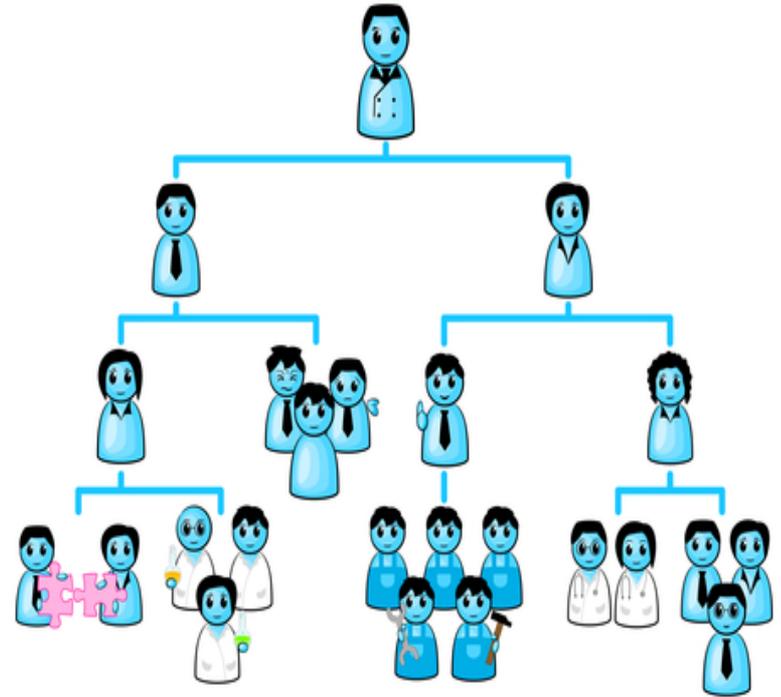


Action Step: Check for Security Video Footage



Structure of Staged Accident Organized Group

- Capper/Stager/Runner/Chaser
 - Recruits Players
 - Provides scripts
 - Keeps elaborate records
- Victim
 - Usually unwitting participant
- Accident Participant
 - Knowingly involved
- Witness
 - Support perpetrator's account of "accident"



How does this work?



Fraud Solutions **now.**[™]

Action Steps

Action Steps

- Identify all involved parties
- Compare VIN & licenses to ensure they are the same on all documents
- Vehicle history
- Compare data in claim and medical treatment records
- Check all information against the ISO ClaimSearch database
- Check ISO or Carfax to see if the claimant's vehicle is a previous salvage

Fraud Indicators and Action Steps

Fraud Indicators

- Claimant's vehicle is older model and insured's vehicle is a high value, newer model
- Accident occurs shortly after one or more of the vehicles were rented, purchased or registered
- Insured, even though legally liable for auto accident, is adamant that claimants were responsible for the accident

Action Steps

- Check ISO for prior claims involving the claimant vehicle and occupants to see if there is a pattern of claims with similar circumstances
- Ask about the loss occurring under these circumstances and document the answer
- Ask insured what the occupants in the other vehicle were doing just prior to the collision

Fraud Indicators and Action Steps

Fraud Indicators

- Multiple passengers are in either vehicle
- Parties involved cannot remember why or where they were going, where they were coming from and why other passengers' stories are different
- Driver is at fault and is not injured but all the other passengers are
- Emergency medical responders were not called to the scene of accident

Action Steps

- Ask for all the names and relationships between occupants. Ask individuals seat location of occupants
- Ask why they don't remember where they were going. Why they were in the vehicle?
- What is the claims history of injured parties? What is the claims history of driver?
- Ask the claimant why he/she did not ask for emergency treatment
- Research databases for any claims associated with the claimant

Fraud Indicators and Action Steps

Fraud Indicators

- Injuries are not reported at the scene
- Accident is minor but produces major costs
- Multiple passengers in the vehicle claiming the same type of injuries

Action Steps

- Verify that the injured party did indeed receive treatment from the medical facility and research provider
- Ask the individual to explain such serious injury claimed on such a minor accident. Consider an IME to verify the injuries
- Request IMEs or Peer Reviews to verify the injuries or determine if the medical records are accurate

Poll

A common indicator for caused accidents is multiple occupants in the claimant vehicle and all claiming the same injury.

True or False?



Correct Answer

A common indicator for caused accidents is multiple occupants in the claimant vehicle and all claiming the same injury.

True



Investigative Guides



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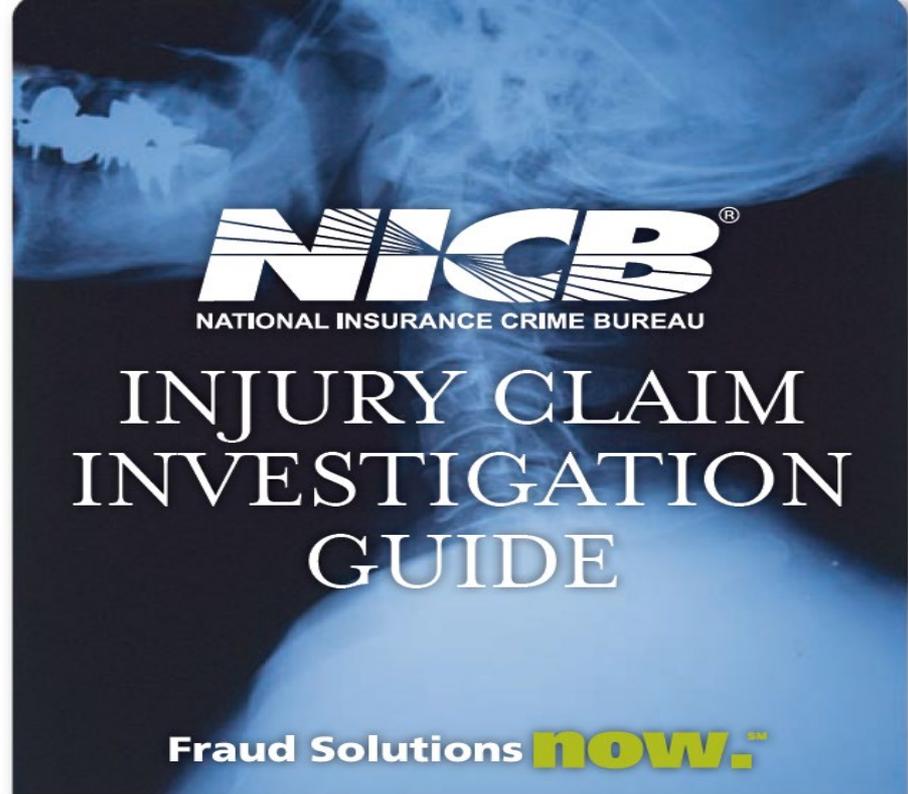
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Guides and Indicators

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CATEGORY SORT BY

Title	Pages	Category	File Type	Year
2018 Vehicle Finance Fraud Investigation Checklist	1	Guide	PDF	2018



NICB Questionable Claims

- Single, most important tool in identifying fraudulent claims
- Allows cross referencing on single claims
- Builds intelligence, to identify patterns and trends
- Used to initiate major cases
- Used to increase public awareness regarding insurance fraud and vehicle crimes

Case Study: Police Body Worn Camera



Case Study: Staged Accident or Not?



Do you think this was a Staged Accident or an actual Hit and Run?

Want to see what the investigation revealed?



Case Study: Surveillance Camera Video



Closing

Final “Words of Wisdom”

Claims Professionals

- Ask detailed questions. If something your claimant or insured is saying does not make sense, ask additional questions.
- Get detailed information at the front end of a claim.
- Unable to resolve inconsistencies? Involve your SIU.

Field Investigators

- Inspect and photograph the accident scene and surrounding neighborhood.
- Inspect and photograph the entire vehicle, including the vehicle interior to include possible areas of impact by occupants of the vehicle.
- Contact NICB if you feel that your investigation points to Organized Group activity.

Other Learning

- NICB FraudSmart® courses:
 - Auto Physical Damage Claims and Schemes
 - Direct Repair Body Shop Fraud
 - Organized Fraud Activity Groups
 - Vehicle Inspections “101” for Insurance Agents
- NICTA courses:
 - Body Shop Fraud
 - Casualty Insurance Fraud
 - Hit While Parked
 - Investigating Organized Groups
 - Investigating Vehicle Theft Fraud
 - Staged Auto Accidents

Dedicated Virtual FraudSmart Sessions

Would you like to schedule a dedicated virtual FraudSmart webinar for
your company?



Contact NICB's Learning & Development Department at
Learning@nicb.org

Thank you!

- Questions? Comments?
- Contact:
Learning@nicb.org

