

Insurance Fraud Bureau (IFB) – Background Facts

The Insurance Fraud Bureau has been set up to co-ordinate direct action and optimise the disruption of organised and cross-industry insurance fraud.

- The IFB launched on July 26th 2006 and is a cost effective, tactical solution for the detection and prevention of organised, cross industry fraud. The Bureau supports the wider Association of British Insurers industry anti fraud strategy, and is tangible proof that the insurance industry wants to work collaboratively to combat fraud.
- Insurance fraud costs £1.6bn every year. Of this figure, impact of organised fraud is estimated to be up to £200m each year. The IFB believes that this figure will escalate unless effective action is taken. The IFB is aligned with Government objectives to protect all economic stakeholders from the effects of organised crime.
- The IFB leads or co-ordinates the industry response to organised crime, facilitating the agreement of action plans between the insurers affected. Acting as a single point of contact for law enforcement agencies, the Bureau enables the insurance industry to make the case for an effective prosecution response through the justice system. The IFB aligns its activity with the National Fraud Strategy and the Serious and Organised Crime Agency (SOCA).
- The IFB collates and combines data contained with industry claims and policy databases (Claims and Underwriting Exchange [*CUE, managed by Insurance Database Services Ltd*], the Motor Insurers Database [*MID*], and the Motor Insurers Anti Fraud and Theft Register [*MIAFTR*]). The Bureau uses data matching and analytical techniques to identify potential fraud. Supplementary data is sourced directly from participating insurers to build a detailed intelligence picture of this activity.
- The IFB currently focuses its activity on personal lines insurance as this is where most data is available. The industry is assessing the opportunity to expand its shared data. Richer information will significantly increase the Bureau's detection capability, and allow for the prediction of wider fraud trends, and the protection of insurers from positive selection by the criminal fraternity by strengthening industry wide fraud aversion and prevention strategies.
- The IFB service is open to any insurer, self insured, compensator or third party administrator that subscribes personal lines data to the Claims and Underwriting Exchange (CUE) Databases. Cost is equitably apportioned and linked to claims volumes.
- Insurers participating in the IFB service benefit from early access to robust high-grade intelligence to tackle insurance industry fraud, enabling them to:
 - detect organised fraud more rapidly
 - repudiate fraudulent claims before settlement is made
 - avoid potentially non-productive recovery actions
 - reduce costs by avoiding duplication on investigation
 - better focus their resources for fighting crime
 - protect innocent policyholders

- The Bureau currently has 33 insurer members who manage in excess of 95% of UK personal lines claims. Other non-insurer members include self insured and compensators.
- The Bureau is guided by a Board of Directors drawn from a cross-section of the membership. It is currently made up of representatives from Allianz, AIG Europe, AXA UK, Liverpool Victoria, Norwich Union, Sabre Insurance, RBS Insurance, RSA, Zurich and a representative from Insurance Database Services Ltd. John Beadle, Counter Fraud Manager at RSA is the current Chairman of the IFB. There is also close liaison with the Association of British Insurers, to ensure that objectives are aligned.
- www.insurancefraudbureau.org

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