



NEWS RELEASE

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Police and insurance industry join forces to create specialist unit to tackle fraud

A specialist police unit dedicated to combating insurance fraud is to be set-up through a police-private sector partnership.

Funded by the insurance industry and supported by the National Fraud Authority, the unit will be operated by the City of London Police's Economic Crime Directorate.

It will provide additional operational capability to the Directorate, focusing solely on tackling insurance fraud, a crime valued at £2 billion per year – which adds an extra £44 a year to each premium paid by consumers.

The unit, which aims to go live on 1st January 2012, will consist of 35 specialist fraud detectives and police support staff and will provide a dedicated response to threats posed to the insurance industry by both organised gangs and opportunist fraudsters.

The key focus of the unit will be enforcement and prevention strategies designed to tackle current issues. This will be achieved working in collaboration with the City of London Police's National Fraud Intelligence Bureau (NFIB) and the industry funded Insurance Fraud Bureau (IFB).

Whilst embedded within the force's Economic Crime Directorate, the unit will be able to capitalise on the City of London Police's wider policing resources as well as its status as the national lead force for fraud, enabling it to co-ordinate support from UK law enforcement and assist individual forces with their own insurance fraud investigations.

The unit will also work in close partnership with the insurance industry on their continued campaign to prevent insurance fraud and recover the proceeds of crime.

The unit will be funded for the next three years by members of the Association of British Insurers (ABI), and will be subject to an evaluation after two years.

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A strategic board containing representatives from the City of London Police, ABI, National Fraud Authority (NFA) and Insurance Fraud Bureau (IFB) will meet quarterly to set priorities for the unit informed by an annual threat assessment and analysis of insurance fraud trends.

The unit builds on the operating model established for the Dedicated Cheque and Plastic Card Unit (DCPCU) where the priorities are set by industry, performance is transparent and reviewed regularly but the operational independence of the police is preserved.

The DCPCU's unique bank-sponsored police squad contains officers seconded from the City of London Police and the Metropolitan Police, and in the nine years since its formation has successfully targeted organised crime gangs and saved an estimated £370 million.

Today's (Jul 12) announcement will strengthen the UK's counter fraud commitment and comes at a time when overall fraud is estimated to cost the UK £38 billion.

The City of London Police sees this as positive step forward in building closer relationships between policing and the private sector, paving the way for other specialist units and, potentially, national economic crime teams to be created through similar funding arrangements in other sectors.

Confirmation of the unit came days after the ABI revealed it was setting up an Insurance Fraud Register to maintain details of known insurance fraudsters and identify anyone who fails to declare a previous fraudulent claim.

The Commissioner of the City of London Police, Adrian Leppard, said:

"A dedicated police unit funded by the insurance industry and operated by fraud detectives from the City of London Police is a major step forward in the fight against a crime that hits the pockets of everyone paying insurance premiums.

"This initiative is the culmination of months of hard work with the insurance industry, and represents another important landmark for private sector funding in policing, something that we should actively encourage within the current financial climate.

"The banking industry has been rewarded for its investment in combating payment card fraud, with savings of £370 million in the past eight years. I now look forward to working with the ABI, IFB and the NFA to ensure the insurance industry benefits in the same way from funding its own specialist police unit.

Home Office Minister for Crime and Security, James Brokenshire, said:

"Fraud costs the UK around £38 billion a year, can have devastating consequences and is often used to fund terrorism, drugs and human trafficking.

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"The government is determined to give greater focus to tackling both serious and economic crime which is why the powerful new National Crime Agency will ensure we have an improved capability to tackle this issue.

"This will be a great example of how collaborative working can help to combat fraudsters and I want to congratulate and thank the insurance industry and City of London Police for all their hard work and dedication."

David Neave, Chairman of the Insurance Fraud Bureau, (IFB) said:

"This strategic step is further evidence of the investment and commitment by the insurance industry in combating fraud.

"The IFB welcomes the opportunity to support this important industry initiative, by working collaboratively with insurers, City of London Police, ABI and NFA, to bring fraudsters to justice and protect the interests of genuine consumers in the process".

Dr Bernard Herdan, CEO of the National Fraud Authority, said:

"I welcome these very significant developments and congratulate the insurance industry for funding them. This clearly shows the insurance industry responding positively and creatively in tackling fraud and setting an example from which I hope others can learn.

"This is a great achievement by all the parties involved – the NFA, City of London Police, ABI, IFB and the individual insurance companies who have participated. I am confident the unit will make a significant impact on insurance fraud benefiting the industry and its customers."

Notes to editors:

The City of London Police is the national lead force for fraud, which allows it to investigate fraud throughout England and Wales. It has the largest specialised economic crime team of any police force and provides important national capabilities such as the National Fraud Intelligence Bureau.

The Insurance Fraud Bureau (IFB) is a non-profit organisation funded by the insurance industry. It is specifically focused on detecting and preventing organised and cross industry insurance fraud.

The ABI is the voice of the UK's insurance, investment and long-term savings industry. It has over 300 members, which together account for around 90% of premiums in the UK domestic market. The ABI's role is to:

- Be the voice of the UK insurance industry, leading debate and speaking up for insurers.
- Represent the UK insurance industry to government, regulators and policy makers in the UK, EU and internationally, driving effective public policy and regulation.

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- Advocate high standards of customer service within the industry and provide useful information to the public about insurance.
- Promote the benefits of insurance to the government, regulators, policy makers and the public.

The UK insurance industry is the third largest in the world and the largest in Europe. It is a vital part of the UK economy, managing investments amounting to 24% of the UK's net worth and contributing the fourth highest corporation tax of any sector. Employing over 275,000 people in the UK alone, the insurance industry is also one of this country's major exporters, with a fifth of its net premium income coming from overseas business.

Insurance and businesses protect themselves against the everyday risks they face, enabling people to own their own homes, travel overseas, provide for a financially secure future and run businesses. Insurance underpins a healthy and prosperous society, enabling businesses and individuals to thrive, safe in the knowledge that problems can be handled and risks carefully managed. Every day, our members pay out £155 million in benefits to pensioners and long-term savers as well as £58 million in general insurance claims.

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