

NEWS RELEASE

20 October 2011

IFB Sets Out Three Year Strategy

The Insurance Fraud Bureau (IFB) today releases details of the action plan designed to deliver their new strategy and supporting financial investment required in the fight against organised crime. The future IFB role in tackling and preventing fraud is based on the need for the industry to retain the confidence of its customers and stakeholders, by taking long-term commitment to the reduction of insurance fraud.

The strategy reflects IFB industry customer needs identified during engagement activity supported by Deloitte, and includes intensifying focus on tackling organised motor fraud and the development of IFB's first application fraud services.

Deloitte supported the IFB to assist in gathering, analysing and presenting information from a number of sources. Executives from IFB customer organisations were invited to engage with the Deloitte and IFB teams. Additionally, fraud practitioners in IFB customers were invited to participate in a survey, and engagement took place with industry stakeholders including the ABI, BIBA, fraud service providers and the FSA.

By increasing the annual industry fraud prevention spend by 0.5%, the IFB will have the capacity to play a far greater role in preventing fraud impacting on customers. For a budget of £2.8m in 2012, rising by a further £150k in 2013, this will enable the IFB to more than double its employee headcount.

The additional staff will assist in enabling the IFB to provide services, assistance and support to help its customers realise target fraud savings of £60m over a three year period. In addition, the IFB will have the capacity to manage organised motor insurance fraud impacting on its customers valued at £161m.

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IFB Sets Out Three Year Strategy Continued/...

The levy increase will enable the IFB to increase organised insurance frauds being researched, analysed and developed; new industry organised insurance fraud operations; intelligence sharing with Police forces; and Cheatline fraud reports received from the public converted into intelligence reports released to customers.

David Neave, IFB Board Chair comments:

“Undetected insurance fraud is estimated to be costing the industry £2bn per annum, with motor fraud representing a sizeable element of these losses. Much is already being done as insurers are annually spending well in excess of £100m on preventing or detecting fraud. Of this less than 2% is spent on the industry platform to tackle organised fraud – the IFB. With the new resource levels identified in the long-term strategy, sufficient steps can be taken to bolster in-house systems and processes and the industry’s ability to tackle organised crime. All of which to the benefit our industry partners and consumers”.

Glen Marr, IFB Director comments:

“The industry engagement activity we have undertaken to form our future strategy has firmly reinforced the value placed on the IFB model by the industry and the appetite to invest more to reduce organised insurance fraud. We have devoted significant effort to strengthening the core capability of the IFB over the past 12 months, and we have never been better prepared to take the IFB model to the next level. We look forward to continuing to work with our industry partners as a collective, to root out and disrupt those concerned with organised fraud, to include professional enablers”.

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Editors Notes:**About the IFB:**

The IFB launched on July 26 2006 and was formed to provide a cost effective, tactical solution for the detection and prevention of organised, cross industry fraud, supporting the wider Association of British Insurers industry fraud strategy. The IFB leads or co-ordinates the industry response to the identification of criminal fraud networks and works closely with the Police and law enforcement agencies.

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The IFB currently has 29 active joint Police operations spread across 17 Police forces, with the combined value of the fraud involved being approximately £59.5 million. Since its formation in July 2006, the IFB has been instrumental in helping the Police make over 522 arrests of people concerned with organised insurance fraud, resulting in 133 convictions and terms of imprisonment handed down by courts for finalised criminal prosecutions. Additionally, proceedings are taking place to liquidate the assets of criminals who have been defrauding insurers.

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