



NEWS RELEASE

25 July 2011

EMBARGOED UNTIL 00.01 HOURS, THURSDAY 28 JULY 2011

YOU COULD NOT MAKE IT UP BUT SOME DID. INSURERS DETECTING MORE FRAUDULENT CLAIMS THAN EVER: OVER 2,500 WORTH £18 MILLION EVERY WEEK

A gymnast with back trouble, a flying toilet roll holder, an invented wedding engagement, a fake photograph and an invisible wall were among the record number of fraudulent insurance claims detected by insurers in 2010 according to figures released today by the ABI.

The figures highlight that in 2010:

- Insurers uncovered 133,000 fraudulent insurance claims - 2,500 every week - up 9% on 2009. The value of these claims was £919 million, also up 9% on the previous year. Over the last five years both the number and overall value of insurance frauds detected have risen by over 100%.
- The most common frauds involved home insurance with 66,000 bogus or exaggerated claims detected, followed by dishonest motor insurance frauds with 40,000 frauds uncovered. Motor frauds were the most costly, totalling £466 million.
- The value of savings from detected frauds represented 5% of all claims, compared to 4% on 2009

Cheats uncovered by insurers include:

- A claim for back injuries apparently sustained from a fall while working in a nightclub was rejected when Facebook images showed the claimant performing gymnastics, and training for a charity run.

- A woman's claim for facial injuries she said resulted from a falling toilet roll holder in a fast food outlet was rejected when it was shown that the holder would have had to have fallen upwards to cause the injury claimed.
- A man claimed for a 'lost' engagement ring. His ex partner said that she was never given a ring as they had never been engaged. On the same day the man said he had suddenly found the ring.
- A claim by a woman for the loss of a £2,000 watch after a night out was rejected when the photograph she provided of her allegedly wearing the watch turned out to be that of a friend.
- A claim for injury said to be caused by falling over a wall was rejected when it was proved that there was no wall at the scene of the alleged incident.

It is estimated that insurance fraud costs £2billion a year, adding, on average, an extra £44 a year to the insurance bill for every UK policyholder.

Nick Starling, the ABI's Director of General Insurance and Health, said:

"Insurers are working harder than ever to protect honest customers against fraud. The savings made by weeding out fraudulent claims would otherwise end up being paid for by honest policyholders through higher premiums.

"Fraudsters continually look for new ways to con insurers, so we are upping our game. Early next year we will be setting up a national Insurance Fraud Register, which will contain details of all known insurance cheats. And at the same time the first ever national police insurance fraud investigation unit will begin its operations, making it harder than ever to commit insurance fraud."

Glen Marr, Director, Insurance Fraud Bureau comments:

“Fraudsters will increasingly find the insurance industry a hostile environment. The IFB is committed to supporting insurer efforts to systematically root out and tackle fraudsters. At the IFB we have access to a significant volume of industry data, use sophisticated and powerful analytical software, work in partnership with insurers, law enforcement and regulators, and have no shortage of reports being received from consumers of their knowledge or suspicions of those concerned with defrauding the industry, through our Cheatline facility.

“We would urge anyone with information on any type of insurance fraud to support industry efforts to root out the fraudsters, by calling the IFB free and confidential Cheatline on 0800 3282550 or by using our online reporting facility at www.insurancefraudbureau.org/report. Reports to Cheatline can be completely anonymous if necessary. It’s important to underline that some of those concerned with insurance fraud, are also involved in criminal activities where there is harm to local communities”.

- ENDS -

Notes for Editors

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2. 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.
- 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.

3. An ISDN line is available for broadcasts.
4. More news and information from the ABI is available on our web site, www.abi.org.uk.