



Insurance
INSTITUTE OF EAST AFRICA

INSURANCE FRAUD AWARENESS COURSE



**In-House
Training**



International Fraud
TRAINING GROUP

| Accredited |

Overview

Insurance Fraud in Kenya

Insurance fraud remains a complex and most significant risk affecting operations of insurers and intermediaries. The IRA considers such incidences of insurance fraud as being out rightly criminal in nature. **IRA recorded 93 cases of fraud involving Sh324 million in 11 months up to November of 2015 compared to 88 involving Sh102 million in 2014.** Motor and medical insurance classes were the most affected segments of the industry that accounted for more than half of the reported cases. High levels of fraud have the effect of pushing up the cost of premiums as insurers look to protect their margins.

It is estimated **25%** of insurance industry income is fraudulently claimed. It is also estimated **30%** of the motor insurance claims are fraudulent and that **40%** of all medical claims are fraudulent. Fraud cases in Kenya's insurance sector rose **60%** in the first three months of 2016 compared to a similar period in 2015. Motor insurance classes proved to be the most vulnerable to insurance fraud, with a total number of 18 fraudulent claims reported amounting to **Sh52.4 million** and these are only the detected ones otherwise numerous go undetected. A recent report released by Association of Kenya Insurers (AKI) estimated the cost of insurance fraud to be between 8 percent and 10 percent of the industry's total amount paid up for health care insurance costs and losses and damage to property (mostly vehicles). Fraud by agents engaged by underwriters was the most common type registered by the Insurance Regulatory Authority (IRA) in the fourth quarter of last year.

According to new data from the IRA, more than half of the fraud cases reported by insurance companies were from the agents, normally paid on commission by the companies. As at the end of December 2018, there were 15 cases of fraud by agents out of a total of 26 such cases. The second most frequent type of fraud was that perpetrated by employees of the insurance companies at four cases.

The Insurance Institute of East Africa (IIEA) is committed to providing quality insurance fraud and investigative training to all insurance personnel from the claims and underwriting departments to the internal Special Investigation Units (SIU) and third party investigators to Agents & Brokers. Our training programs provide the knowledge to identify, investigate and combat insurance fraud.

About Insurance Institute of East Africa (IIEA)

The Insurance Institute of East Africa (IIEA) is a leading provider of insurance education across the various functional areas of the insurance industry and is an approved training provider by National Industrial Training Authority (NITA) under Ref: NITA/TRN/1365.

IIEA has partnered with leading global providers of insurance education to offer a wide range of professional insurance qualifications developed by industry experts. The partners include the Insurance Institute of America (The Institutes), Cambridge International College (CIC) Britain, Australian and New Zealand Institute of Insurance and Finance (ANZIIF), International Fraud Training Group (IFTG), Kaplan Financial Education and the Institute of Chartered Shipbrokers to offer world class professional qualifications, designations, certifications and insurance fraud management programs to the insurance industry in East Africa. These programs are highly regarded across the industry and provide learners with the skills and knowledge to succeed in their careers across functional areas of the insurance industry.

Accreditation

The course is accredited by the International Fraud Training Group (IFTG) of USA. The International Fraud Training Group (IFTG) is a full-service Insurance training and consulting firm providing training and compliance services throughout the World. It is one of the largest privately-held companies in the industry, offering structured programs for insurance carriers, self-insured's, and third-party administrators. The Insurance Institute of East Africa is the exclusive provider of IFTG's fraud training programs in East Africa.

Purpose

This two-day course is designed to equip the delegates with the knowledge to identify, investigate and combat insurance fraud.

Suitability

This course is suitable for: -

- Underwriters
- Claims Professionals
- Sales Teams (Business Development)
- Agents and Brokers
- Loss Adjusters
- Risk Managers
- Investigators
- Assessors
- Customer Service Teams

What is Covered

Introduction to Insurance Fraud

This course will provide the insurance professional with an overview to Insurance Fraud, including the effects of insurance fraud, the growing statistics of insurance fraud, examples and current fraud schemes as well as their consequences, the efforts to reduce insurance fraud and the role that you play to combat fraud. You will learn successful investigative techniques that can be used by you or the field investigators. We will provide you what outside field investigators can do, what they need to do, how to plan for the investigation and learn the types of investigations that can be conducted. This course also includes fraud reduction tactics and red flag indicators for insurance fraud.

Insurance Fraud at Policy Purchase

After completing this module, participants will be able to explain how a high rate of fraudulent claims affects insurance companies and producers, identify steps producers and underwriters can take when policies are purchased to weed out buyers that are likely to commit insurance fraud and be able to describe the elements associated with the three types of hazards and explain why they are of concern to insurance professionals. It will also enable them identify specific policy provisions that may be grounds to void coverage or deny a claim when insurance fraud occurs, define contract fraud and premium fraud and provide examples of each, and identify fraud indicators associated with contract and premium fraud.

Insurance Fraud at the Time of a Claim

This course will provide the participants with the knowledge and skills to identify the parties in first and third-party claims, explain how misrepresentation or false swearing by an insured or claimant can be grounds to void a claim. They will also be able compare and contrast the characteristics of padded, exaggerated, and fake insurance claims; provide examples of ways insurance claims may be padded, exaggerated, or faked, describe circumstances under which a claim for an arson fire would be covered, identify the types of claim handlers, and describe the basic steps involved in claim handling, including the appropriate steps to take when fraud is suspected.

What is Covered

Motor Vehicle Fraud - Auto Theft and the Investigation

With the economy dwindling, insurance fraud for auto theft has increased as people will either perform or have someone else burn, dump, or strip their automobile to get from underneath the monthly payment.

Participants will learn what auto theft is, how to investigate it, the current trends in theft schemes, and examples of true theft claims. They will also be taught what investigation tools are available to them, and bring them up to speed on all of the anti-theft measures out there today.

By laying a foundation of product understanding, participants will be prepared to recognize, combat, and even deter insurance fraud in these lines. They will be provided with real-world examples, terminology, red flags, and investigative techniques for front-end (premium and application) fraud, claimant/beneficiary fraud, and get-rich-quick schemes.

Body Shop & Repair Shop Fraud

This course will provide the participants with knowledge of how a body shop or repair shop defrauds the insured and insurance company from the onset of an automobile accident or comprehensive loss. It will also familiarize them with the types of scams that are common in luring the insured to a particular shop after a loss, as well as the scams performed on a vehicle prior to an adjuster's review and scams performed on the vehicle once the repair process begins. It will also provide techniques to use against the shops committing the fraud and to provide information on how to prevent and deter shops from committing fraud.

Staged Automobile Accidents

The participants will be provided with the knowledge of staged automobile accidents, the common types of staged accidents, how they are performed and how to identify them. They will also be provided with Staged Accident indicators as well as the role of the claims professional will need to perform.

They will obtain the process and knowledge of a staged accident field investigation. It will also enhance the understanding of the participants concerning the parameters of a field investigation and what relevant factors are being collected. The curriculum will explain how the claim is set up from policy inception to the date of the actual loss. This will enhance the participant's knowledge of staged accidents which will facilitate in mitigating the claim.

Fraud Risk Management

An effective fraud risk management encompasses controls that have three objectives namely Detection, Prevention and Response. Participants will learn in detail about those objectives and their application in fighting insurance fraud.

Course Delivery

The course combines formal but highly interactive lectures and discussions with dynamic exercises. Delegates will also be examined at the end of the training to qualify for a Certificate of Participation.

Course Summary

Location:	To be provided by Client
Duration:	2 Days
Fee:	Ksh 520,000 + VAT Per Group-Max 30
Dates:	Open



