

## Motor Fraud – ‘Crash for Cash’

Motor Fraud crashes, in which criminal gangs stage a deliberate crash, are becoming more common. Fleets are often targeted as the gangs know that the vehicle is likely to be fully insured, and the driver less likely to ask questions as they do not own the vehicle.



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**There are many types of Motor Fraud situations, here are some common examples:**

### Contrived

The First Party and the Third Party work together in submitting a claim for an event that did not take place. As an example they suggest a collision took place in a country lane somewhere, however the vehicle was already damaged from another event or damaged in a repair yard complicit in the fraud.

### Staged

Similar to Contrived however the event actually takes place. The First Party and the Third Party are still working together to present a fraudulent claim however the event took place as alleged to “legitimise” the claim. An example would be the parties arranging to have the collision in a quiet residential area and then presenting the claim to the insurer.

### Induced

These are incidents where the insured is the innocent victim in the fraud. A Third Party fraudster will target a vehicle, usually with sign writing or newer models. The fraudster vehicle will either suddenly change lanes and apply their brakes or simply come to a stop for no apparent reason. These events often take place at junctions or on roundabouts and brake lights can often be disconnected so that it is more difficult for the following driver to detect the sudden braking.

### Semi-Staged

These refer to claims involving two fraudster vehicles who target an innocent insured vehicle using a stooge vehicle. The fraudsters will position the fraudster claimant vehicle in front of the insured and then the stooge vehicle will either brake suddenly in front of the fraudster claimant vehicle or suddenly change lanes and then speed off. The insured collides in to the rear of the fraudster claimant vehicle. The insured is less suspicious because at first glance the fraudster claimant’s slamming on the breaks was a reasonable response to the stooge vehicle behaviour.

**If a driver is involved in a crash and they have a suspicion it may be fraudulent, they should:**

- Always keep themselves and others safe at the scene.
- Stay calm. Don't provoke or disagree with the driver of the other vehicle and/or their passengers. This could put the driver in significant danger if the driver is a criminal and attempting motor fraud.
- Call the police immediately whilst still at the collision scene, inform them of their suspicions and ask them to attend the scene.
- Capture as much information as possible and safe to do so at the scene including :
  - The make, model and registration number of the other vehicle.
  - The time, date, location and weather conditions of the crash.
  - The full name, address, date of birth and gender of the driver and passengers.
  - Take pictures/video capturing any damage (or lack of) to the other vehicle at the scene of the crash.
  - The names and addresses of any independent witnesses.
  - Note how the other vehicle left the scene of the crash i.e. driven away or towed. If the vehicle was towed or transported away make a note of the vehicle and registration number of the vehicle that took the car away, including whether it displayed a business name.
- Contact Zurich immediately after the crash, advise of any suspicions and provide them with all of the gathered information.

### Claims Farming

This type of fraud is where insurers have been notified about a claim for vehicle damage and then sometime later presented with a letter of claim or CNF (Claim Notification Form) claiming injury for occupants within the Third Party vehicle. Solicitors presenting these claims often have had no contact with the actual claimant and have bought details from accident management companies etc.

### LSI (Low Speed Impact)

As the name suggests these are crashes with very little or no damage and where there could not have been occupancy movement in the vehicle causing injury.

### Occupancy

This covers claims where we are presented with individuals presenting claims for injury who were not in the vehicle at the time of the crash.

### Phantom Witnesses

Similar to occupancy, these are cases where we are presented with witnesses supporting a Third Party account who were not at the scene of the crash.

### Substitution

These are instances where the Third Party driver is substituted for another claimant. This is done due to the claimant driver or passengers having indicators suggesting fraud, something that would reduce the ultimate pay out for the personal injury or being banned from driving for example.

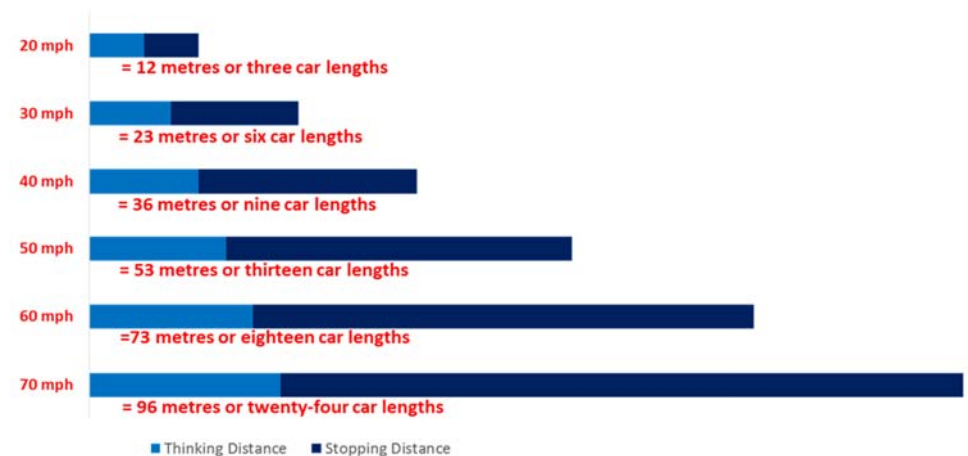
### Document/Paper Fraud

This covers a wide range of fraud however as the title suggests revolves around bogus invoices for companies that either do not exist or have had their identities stolen.

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## So what can drivers do to avoid becoming the victims of these increasingly common incidents?

One of the best ways for a driver to avoid any rear end collision is to ensure that they leave a sufficient gap between their vehicle and the one in front, and that they are concentrating on their driving at all times.



### Driving too close

Many drivers travel too close and, in the event of an emergency, are unable to stop in time to avoid a rear end collision. Drivers should always manage the space around their vehicle, with the gap in front being the most safety-critical. In good weather conditions and on roads with good surfaces, a driver should maintain a gap of at least 2 seconds between their vehicle and the one in front. When the weather and/or the road surface deteriorate then this gap should be doubled to at least 4 seconds, and in icy conditions, if the journey is absolutely necessary, then a gap of at least 10 seconds or more is needed to ensure that they can stop safely.

If the driver maintains these gaps then he or she should have enough time to react and brake if the vehicle in front stops unexpectedly providing, and this is the second key point, that the driver is fully concentrating on the driving task.

Junctions and roundabouts are common places for harsh braking events to occur, which results in these becoming targeted areas for fraudulent crashes and drivers should be extra

**One other key behaviour needed to avoid collisions is observation – this may seem an obvious point but it is surprising how little information some drivers take in. When looking at potential fraudulent incidents, drivers need to look at a vehicles “body language”:**

- Has the driver noticed that the brake lights are not working?
- Is the vehicle being driven erratically?
- Is the driver of the vehicle in front looking in their mirrors unusually often, and are there any passengers in the vehicle looking at you ?
- Does the vehicle in front look like it has been in other crashes – especially showing damage to its rear ?

All these things can give clues as to the likely behaviour of the driver in front, including the possibility that they are looking to stage a fraudulent incident.

**If a driver is involved in a crash some further clues the crash is a fraudulent event.**

- Was the driver of the other vehicle reading from a document at the crash scene?
- Was the other driver overly prepared – did they have a document with their details already recorded?
- Were there immediate reports of injuries from either the driver or the passengers, particularly if the crash is unlikely to have caused injury.

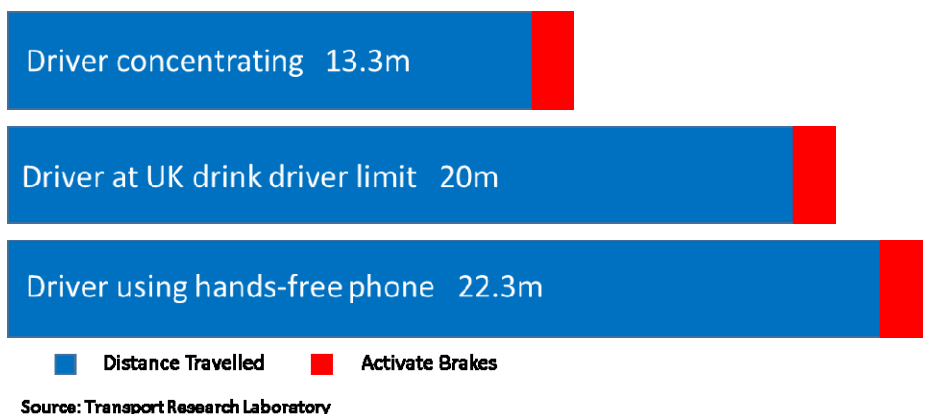
vigilant when driving in these areas.

**Louise Kerrigan, Motor Team Leader, Zurich Risk Services.**

“There are many things that distract drivers, particularly when making a work-related journey, to minimise the chance that he or she will be involved in a collision, drivers must concentrate on their driving at all times.”

### Mobile Phones

Mobile phones are probably the biggest distraction, with research evidence suggesting that holding a conversation on the phone leads to drivers having similar reaction times to someone twice over the UK drink-drive limit. At 40 mph, a concentrating driver will travel 13.3m before activating the brakes. A driver at the UK drink-drive limit will travel 20m and the sober, hands-free phone user will travel 22.3m before activating the brakes. If a vehicle stops suddenly and unexpectedly, these figures show how much more likely it is that the distracted driver will be unable to avoid the collision.



The distractions from mobile phones are evolving, many drivers are not just distracted by phone calls but also, checking texts, email or social media. As the mobile phone now provides even greater temptation it is important drivers are educated on the risk faced, there is a robust mobile phone and distraction policy in place with an appropriate audit programme.

If a driver is talking on the phone – it is usually fairly obvious to observers outside of the vehicle, even if the conversation is hands-free – and this could make them a potential target for criminal gangs, as they know that if they brake suddenly and unexpectedly in front of the phone-user’s vehicle, the driver is much less likely to stop in time, and the result is a fraudulent crash.

### Distractions

Whilst mobile phones are probably the greatest distraction to the driver, there are of course many other tasks that drivers do that divert their attention away from the activity of driving, making a rear-end collision more likely. Talking to passengers, adjusting the in-car entertainment or satellite navigation systems, eating or drinking, and even ‘daydreaming’ or thinking about a business issue will all cause the driver to have slower reactions, making a rear-end collision and therefore potentially a fraudulent incident more likely. So the clear message to drivers is “concentrate on your driving at all times”.

### Vehicle Condition

Ensure that the vehicle is in good condition, especially the tyres, braking and suspension systems. Tyre performance deteriorates significantly below 3mm tread depth, especially in wet and wintery conditions, so drivers should ensure that, as a minimum, their tyres are legal (1.6mm for cars), and organisations who need their employees to make work-related journeys should consider following best practice and change tyres at 3mm to ensure good stopping performance.

### Technology

The evolution of vehicle safety is continuous both systems and devices built into the vehicle by the manufacturer but also those that can be added after procurement. Thatcham Research have released new evidence based on real world data that one of these technology advancements, Autonomous Emergency Braking (AEB), when fitted on cars can reduce rear-end collisions up to 38% and there is evidence that a 45% reduction in cost can be achieved, as not only is AEB reducing the frequency but also the severity of impact. Procurement

policies and procedures should ensure new vehicle technology is captured and that drivers are trained in how to use it.

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**A concentrating driver, observing the prevailing traffic conditions, leaving the appropriate gap between their vehicle and the one in front, in a well-maintained vehicle should be able to avoid any rear-end collision, whether this is due to normal traffic conditions or criminal gangs looking to cause a fraudulent incident.**

For information about how Zurich Risk Services can help manage the risks associated with your motor fleet, visit [www.zurich.co.uk/riskservices](http://www.zurich.co.uk/riskservices)

Alternatively you can email us at [riskservices@uk.zurich.com](mailto:riskservices@uk.zurich.com) to request more information.

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