

# THE INSURANCE CRIME BUREAU

INTELLIGENCE THAT WORKS

## ANNUAL INSURANCE CRIME BUREAU INDUSTRY BREAKFAST 2018

“Organised Disruption”



LEADING A UNITED EFFORT AGAINST INSURANCE FRAUD AND RELATED CRIMES!

*Celebrating*  
**10**  
*Years*



# South African Insurance Crime Bureau

## Industry Breakfast 2017...





The Beginning...



- Hugo van Zyl was one of the key founding individuals responsible for the design of the original concept establishing the South African Insurance Crime Bureau.
- In 2008 there were only 10 member companies
- The appointment of technically qualified and experienced key individuals, along with the implementation and customisation of the analytical and case management tools was top priority.
- Struggled to show and prove ROI, and already at this stage decided to get involved in other initiatives, such as cloned vehicles, and we held our first Pound Clean-up in 2010

# Networks - Involved Stakeholders

- **Relationships** with external stakeholders, government agencies and many private entities were of utmost importance. Time was dedicated to forging strong relations with these partners in the fight against crime in South Africa.
  - Business Against Crime South Africa (BACSA)
  - South African Insurance Association (SAIA)
  - South African Police Services (SAPS-PPP)
  - Lesotho Mounted Police Service (MOU in place)
  - National Prosecuting Authorities - Asset Forfeiture Unit (MOU in place)
  - Gauteng Department of Roads and Transport (MOU in place)
  - Road Accident Fund (MOU in place)
  - National Department of Health(NDOH)
  - Road Traffic Management Centre(RTMC)



# A successful Organisation

- Over the years The Insurance Crime Bureau **built a strong brand of trust, integrity and co-operation**. Financial Institutions viewed the organisation as the nodal point for intelligence and information sharing, as well as a hub to access experts in the fight against vehicle crime.
- Detection, prevention, and effective investigation of fraud and crime impacting specifically the Insurance Industry were first priority for all the operational staff.
- **Some of the start up successes established in the past:**
  - *Training / Information sharing, cloned vehicle database, Pound clean-ups, bait car, most comprehensive insurance fraud database in South Africa, focus on the market for stolen vehicles, money raising, accident staging, involvement in physical crimes.*



We left off the breakfast last year we became...

The Insurance Crime Bureau...

- Intelligence that works.





***Great things never come from comfort zones...***



**THE INSURANCE  
CRIME BUREAU**

INTELLIGENCE THAT WORKS

**INDUSTRY BREAKFAST 2018...**

**19<sup>th</sup> SEPTEMBER 2018**

# OUR VISION & MISSION:

## VISION:

**The Insurance Crime Bureau** was established in 2008, to be **the intelligence hub**, and **leading authority on organised crime**, operating within the Insurance Industry.

## MISSION:

**The Insurance Crime Bureau** aims to **achieve its vision** through the **consolidation of multiple data sources**, the deployment of relevant and **specialised skills along with unique technology**, all to promote **collaboration** and **provide intelligence to detect and prevent** insurance related fraud and crime...with the end goal of obtaining **convictions and recoveries**.

# The Importance of creating Networks...



**2018:  
26 INSURER  
MEMBERS**

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## INSURER MEMBERS

Hollard.

OAKHURST  
INSURANCE COMPANY LIMITED  
*We Really Care, We Deliver*

 **infiniti**  
insurance

 **OLD MUTUAL**  
INSURE

**miWay** .CO.ZA

**GUARDRISK**   
TAILORED RISK SOLUTIONS  
A subsidiary of MMI Holdings

**m**omentum

**OUT**  
SURANCE



## **INSURER MEMBERS**

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**LIFE  
INSURER  
MEMBERS**

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“ WORKING TOGETHER  
TO DETECT AND PREVENT  
INSURANCE FRAUD. ”

**DataDot**  
Marked & Secure

**RECOVERI**  
TAG WHAT'S YOURS

**SMD**

**sas**  
THE POWER TO KNOW®

**MOHAWK**

**TRACETEC**  
TRACKING | RECOVERY | FLEET MANAGEMENT

**ASSOCIATE  
MEMBERS**

# Involved Stakeholders

- Business Against Crime South Africa (BACSA)
- South African Insurance Association (SAIA)
- South African Fraud Prevention Services (SAFPS)
- South African Police Services
- Cross Border Police Forces
- Directorate of Priority Crime Investigation
- National Prosecuting Authorities & Asset Forfeiture Unit
- Gauteng Department of Roads and Transport
- Road Accident Fund
- South African Revenue Services
- National Department of Health
- Tracking companies.
- Micro dotting companies.
- Vehicle rental companies.
- IAATI
- National Association of Automobile Manufacturers Association - Vehicle Crime Committee
- South African Banking Risk Industry Council
- Financial Services Board
- Financial Intelligence Centre
- Credit Bureaus
- Salvage dealers
- Zonke Unicode and many others

# Typical types of Investigations

- Serial / Habitual Claimants...
- Incident staging...
- Hijacking & Theft...
- ID Theft \ Impersonation...
- Fast Track claims...
- Walking Dead...
- Murder for Money...
- Broker Fraud...
- Corruption involving Staff, Service Providers, Clients, Brokers and Assessors...



# Financial “Return on Investment”

## Results:

- **Year to Date 2018:** **1474%**
- **Life to Date:** **335%**

## Areas Measured:

- **ANPR** R 54 million
- **Clones** R 55 million
- **Fraudline** R 25 million
- **General Enquiries** R 126 million
- **Pathology** R 10.8 million
- **Pound** R 359 million



*Note that these figures are a measure of **our combined efforts**, and illustrates the resultant success of the centralised approach by the Industry.*



# ***ROI versus ROE***

As important is how do we measure “Effort”





# THE INSURANCE CRIME BUREAU

INTELLIGENCE THAT WORKS

*Just a week in the life of...*

Travelling – Airports, Planes,  
Rentals....it takes time.





Training the Industry....

> 76 people trained in  
a week...



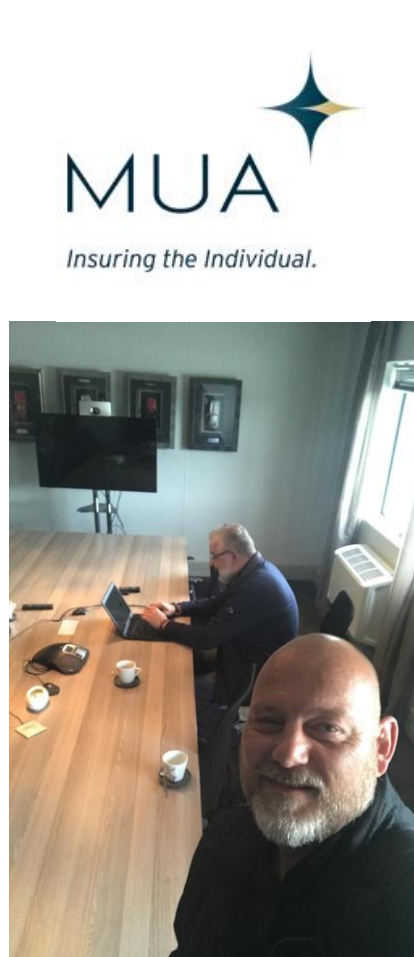




On-boarding, SPOC & WC  
PVCF meetings....







On Boarded  
11 NEW  
INSURER  
MEMBERS IN  
24 Months...



# Pound Operation in Rustenburg...









# Un-Insured handovers....



# Some Un-Insured Vehicle Successes

## Clone Vehicles:

- R 16 124 529
- 92 Vehicles
- R 173 000 average per vehicle

## Pound Operations:

- R 117 312 058
- 1 382 vehicles
- R 90 000 average per vehicle

### ***Total Societal Benefit:***

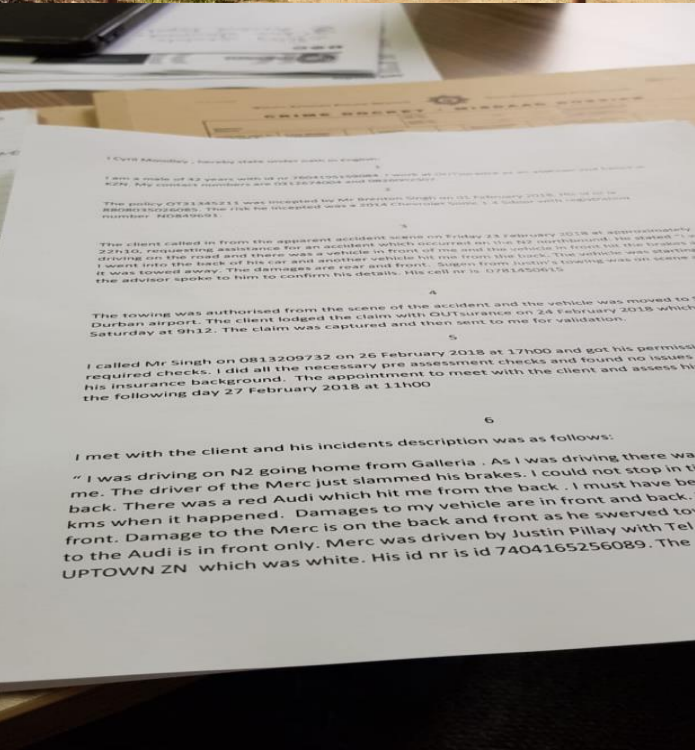
- ***R 135 065 044 or 1 474 vehicles returned to un-insured public.***

*Note that these figures are a measure of our **combined efforts**, and illustrates the resultant success of the centralised approach by the Industry.*

Not all fun @ Charge Offices,  
Courts & of course  
Paperwork....







# Arrests, Convictions and a value...

180 Arrests...

158 Cases Prosecuted...

22 withdrawn...

81 Guilty...

An additional 72 Pending Cases...

***R 469 800 388 Total ROI LTD....***

*Note that these figures are a measure of our **combined efforts**, and illustrates the resultant success of the centralised approach by the Industry.*

Murder for Money and  
other Life Issues...













**R 151 million in Savings for the  
Life Industry over 3 years...**

Marketing on the move to  
ensure our exposure...





...and more meetings &  
forums!



# Other meetings not recorded

- SAPS Multi Disciplinary Investigation...
- Road Accident Fund...
- FIC, FSCA, SARB Industry Meeting...
- SAIA...





# Project “Misfit”:

- The syndicate made use of **68 vehicles**.
- Mostly bank repossessed vehicles purchased on auctions far below Meader McGrouder value, as there is mechanical problems with the vehicles.
- The **syndicate consist of 89 people, the majority of these people are money mules**.
- The syndicate uses **false identities** to submit false roadworthy certificates, they then **register vehicles on Natis**, creating a history for the vehicles.
- They then insure the vehicles & report accidents
- The top structure of the **syndicate consist of 7 individuals with an additional 7 people recruiting the money mules**.
- The syndicate will stage an accident where one of the syndicate’s insured vehicles will be involved in a collision, with one of the other uninsured vehicles as a 3<sup>rd</sup> party.
- This will occur between 2 to 4 times where the same uninsured vehicle will be the 3<sup>rd</sup> party in the staged accidents, and then the uninsured vehicle will become an insured vehicle that is involved in an accident with a different uninsured vehicle.
- The **current investigation entails 45 incidents** in which all the false identities & vehicles are used multiple times.
- The timeframe is between 2014 and 2017 and the quantum involved is **almost R20 Million**.



# A “simple” but effective SAPS Enquiry

- **NORTH WEST Child Protection Unit:**

- Top 50 wanted suspects information provided by SAPS to us, and quickly processed through the central Insurance data core.
  - By enhancing current contact data the exercise assisted in the immediate arrest of three suspects.
  - Additional information gleaned, regarding one specific suspect, assisted in tracing a cell phone number of a proven serial rapist who will soon be arrested.
- 
- *OVER 35 000 outstanding warrants exist today.*
  - *Involved in 200 enquiries per month – even recent cases like the “Barbie” case in tracking old witnesses...and this week identifying child porn suspects.*

# 2018 Crime Statistics

<b>Total Crimes 2.2 million</b>	<b>(6 027)</b>	✓ Commercial Burglaries	71 131
✓ Murder	20 306 <b>(56)</b>	✓ Residential	227 727 <b>(624)</b>
✓ Attempted Murder	18 215	✓ Theft of Motor Vehicle	50 652 <b>(139)</b>
✓ Assaults	322 848	✓ Car Jacking	16 319 <b>(45)</b>
✓ Sexual Assault	49 991	✓ Truck Jacking	1 202
✓ Robberies	188 899	✓ Theft from Motor vehicle	129 088 <b>(354)</b>
		✓ Other Theft	302 353
		✓ Robberies	188 899

**\*\*Accuracy of the Statistics &**

**why do people report crime...??**

# Key Industry Projects

- Vehicle Salvage Data Base
- Code of Salvage
- SAFPS Collaboration Project
- Insurance Data System
- LPR 4 South Africa
- SPOC Forums
- Training and Conferences...
- Cyber Awareness...



**Stand with The Insurance Crime Bureau, in collaborative initiatives to combat Insurance Fraud, and the related Crimes...**



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