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Michigan Chapter Newsletter / July 2024 Edition



President's Memo

By: Marc Godman, SCLA, CIFI, M. Ed / Senior Investigator / Hanover Insurance

Fresh off another amazing spring seminar, I thought that there was no better time to put pen to paper.....or in this case, fingertips to keyboard. I truly hope that everyone got some good information out of the seminar and enjoyed it as much as I did (GREAT job Jennifer Humphrey and the entire Spring Seminar committee). With the seminar now in the rear view mirror, the work doesn't stop for your chapter. We have the networking session (make sure to hurry and buy your ticket) rapidly approaching as well as the planning and preparation for the fall seminar. Sprinkled in there as well are the behind the scenes planning for our other monthly meetings. I dare to say that there is no chapter that works harder and provides more than your Michigan Chapter.

We want to do our best to keep you armed with the most current trends/industry information as well as the most up to date tools in our ongoing fight against insurance fraud. With this being the 40th anniversary of SIU's, there has never been a more important time to stay vigilant. The bad guys continue to get more and more sophisticated and brazen in their attempts to get what doesn't belong to them. We all have bad days but just remember that good always wins in the end. Each one of you has a special set of skills and I am very happy to call you all my colleagues in this journey. As always, stay safe out there.

Sincerely,

Marc

Counsel's Corner

NEW FRONTIERS IN INSURANCE FRAUD: STAGED ACCIDENTS INVOLVING RIDESHARING SERVICES

By: **Richard E. Vuernick, Esq. and Samuel S. Saltman, Esq.**
of Kennedy Vuernick, LLC

As [ridesharing services](#) increasingly become indispensable to our lives, fraudsters have inevitably adapted their schemes. Many of these schemes are simply new renditions of age-old ones, such as staged accidents. In this article, we review traditional staged accident insurance fraud schemes, discuss how they have been adapted to the new technologies and evolving insurance landscape related to ridesharing, and suggest techniques that SIU analysts and investigators should know to effectively detect and successfully combat this novel form of insurance fraud.

Three Vintage Staged Accidents Schemes

The "Wrong" Right-of-Way: Your insured is at a four-way stop sign intersection. To her right, another driver is stopped. They both arrived around the same time. Vaguely recalling her written driver's exam, your insured waits for the driver to her right to proceed. That driver, however, waves her on—an apparently friendly gesture. After returning a friendly wave, your insured proceeds through the intersection only for the other driver to proceed simultaneously, resulting in a T-bone collision. The other driver denies waving on your insured and insists he had the right of way.

The Premeditated Short-Stop: On a busy main road with multiple traffic lights, Car A pulls ahead of Car B as they approach a red light. Car A slams on the breaks, coming to a sudden short stop. Car B, driven by your insured, slams on the breaks attempting to avoid a rear-end collision—to no avail. The driver of Car A claims there was sufficient time and space for the driver of Car B to have stopped without rearending Car A.

The Unsuspecting Back-Up: Similar to the wrong right-of-way scheme, an unsuspecting insured is carefully backing out of her driveway or parking space and, upon seeing a vehicle approach, slows down or stops to wait for the other driver to proceed. The other driver waves her on and, as the insured backs up, the other driver hits the gas, causing a collision. The other driver denies waving on the insured and purposely hitting the gas.

Staged Accidents—2.0

While the general features of these classic staged accident schemes have not changed, the novelties of ridesharing create new opportunities for fraudsters. The most prominent novelty is that, in the ridesharing context, there is now a third-party—the rideshare driver. Although Michigan law ([MCL § 257.2137](#)) generally considers ridesharing drivers independent contractors and not employees, because most personal auto insurance policies contain livery service exclusions, according to the [National Association of Insurance Commissioners](#), rideshare behemoths such as Uber and Lyft “have policies on their drivers that include commercial auto, liability, and collision coverage, with several offering \$1 million single limit on primary liability coverage.” Coverage typically extends to any auto accident that occurs either (a) while the rideshare driver is *en route* to pick up an accepted passenger and (b) while the passenger is in the vehicle *en route* to her destination.

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In some cases, all three parties involved in the staged accident may be “in on it”—the driver of the other car, the rideshare driver, and even the passenger. In other cases, only the rideshare driver and the driver of the other car may be in on it, or the passenger and the driver of the other car may be in on it, but not the rideshare driver. Each scenario presents unique challenges for SIU investigators and analysts.

How to Investigate Rideshare Claims

For this reason, probing the relationships among all the parties is crucial. In addition to more common fact-finding methods, such as EUOs and social media research, SIUs should seek to work together with rideshare companies, which also have a stake in preventing this kind of fraud. To the extent possible, SIUs should request the [data ridesharing companies collect from their drivers and passengers](#), targeted to the individuals involved in the SIU investigation.

The passenger’s mobile app user account should also be investigated. It should come as no surprise that fraudsters create fake accounts (e.g., using a fake identity or a throwaway email address) to perpetuate their schemes. Similarly, the rideshare driver’s pickup history on the date of loss should be thoroughly examined. To ensure that the driver *in on* the fraudulent scheme, and not any other rideshare driver, picks up the passenger *in on* the scheme, the fraudster driver will linger near the point of pick up. More often than not, the passenger will be the driver’s first ride of the day.

In cases where the rideshare driver is *not* in on it, the passenger and the other driver almost certainly have to be in communication, in order to coordinate their locations. Here, more traditional methods of fact-finding, such as pre-litigation subpoenas issued by a law firm or law enforcement, may be necessary.

Conclusion

Although ridesharing poses new opportunities for fraud, the very technologies that enable ridesharing are also an SIU’s best fraud-detection tool. And, while privacy concerns have led to significant litigation over the data ridesharing companies collect on both drivers and passengers, SIU investigators and analysts, in conjunction with ridesharing companies, should utilize that data to the fullest extent. Indeed, preventing and combatting fraud is, perhaps, the best reason why such data is collected in the first place.



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About the Authors

Mr. Vuernick is a member of the law firm Kennedy Vuernick, LLC, where he concentrates his practice on investigating and litigating insurance fraud matters on behalf of insurance carriers. He has successfully represented insurance carriers who have recovered pursuant to various state and the federal False Claims Act, where fraudsters receive government money unlawfully.

Mr. Saltman is a senior associate with Kennedy Vuernick, LLC, where he concentrates his practice on investigating, and litigating insurance fraud schemes on behalf of insurance carriers.

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The Michigan Chapter is on LinkedIn. Follow us @

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Certified Insurance Fraud Analyst (CIFA)



Certified Insurance Fraud Investigator (CIFI)



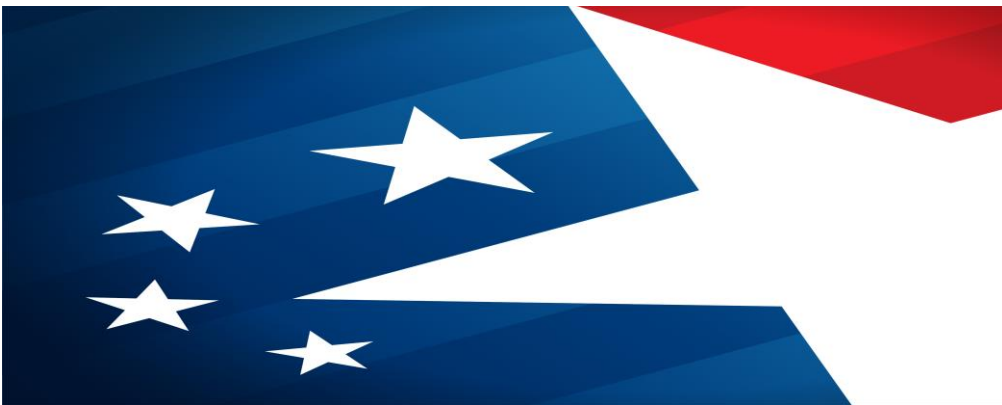
Certified Insurance Fraud Representative (CIFR)

If you are interested in testing for your CIFA, CIFI or CIFR certification? Learn more @ <https://www.iasiu.org/page/Certifications>. If you are interested in testing for the exam in person, our Chapter will proctor the exam for you. For more information, contact Stella Grablick at estella.grablick@fmins.com



Join IASIU in Nashville Aug. 25-28, 2024

To register, visit: www.iasiu.org



On behalf of the Michigan IASIU Chapter, we wish you a happy and safe 4th of July!

Upcoming MI Chapter Events

07/30/24: Michigan IASIU Chapter Networking session. Join us for a pre-party at Hockey Town Café followed by the Detroit Tiger's v. Cleveland Guardians game at 1 PM. To register, visit: <https://miiasiu.square.site/product/2024-networking-event-at-comerica-park/4>

09/19/24: General Membership meeting and training located at Hanover Insurance in Howell, MI from 9:30 AM – 11:00 AM. Robert Abrahamson, Mark McDonald and Fred Livingston of Novara Law will present, topic TBD.

10/10/24: Michigan IASIU Chapter Fall seminar at Schoolcraft College in Livonia, MI. Registration forthcoming mid July.

11/21/24: General Membership meeting and training located at Frankenmuth Insurance in Frankenmuth, MI from 9:30 AM – 11:00 AM. Speaker topic TBD.

Upcoming Industry Events

08/25/24 – 08/28/24: IASIU annual conference being held in Nashville, TN. For more information, visit: www.iasiu.org

09/19/24: Join the MAVTI committee for their ACT meeting from 1 PM – 3 PM for at the Detroit Fire Department Regional Training Center (10200 Erwin, Detroit, MI). Light refreshments will be served.

10/16/24: Save the date for the MATVI annual training seminar that will take place at the Dearborn Ford Community Theater & Performing Arts.

12/09/24 – 12/10/24: Save the date for the Coalition Against Insurance Fraud annual meeting in Washington DC.

03/02/05 – 03/05/25: Save the date for the Insurance Fraud Management (IFM) conference in Amelia Island, Florida.



Earn CE Credits...

Read SIU today! Once you've read past issues you can take quizzes to gain two (2) CE credits good towards your CIFA, CIFI or CIFR designation(s).

Quizzes are only available for the four (4) most recent issues. For the most up to date version of the magazine, visit:

<https://www.iasiu.org/page/SIUTodayLibrary>

The Evolution of NICB, Learning & Development in the Fight Against Insurance Fraud

By: Steve Beltz of the NICB

The Evolution of NICB, Learning & Development in the Fight Against Insurance Fraud

The Learning and Development (L&D) department is equipping insurance industry professionals with the knowledge and skills necessary to combat insurance fraud effectively. By focusing on continuous learning, impactful training solutions, and fostering strategic partnerships, our goal is to support the professional growth and skill enhancement of all members.

The L&D embraces a collaborative approach, integrating recommendations from members, committees, and the NICB special agents and analyst to address emerging threats and crime trends. This collaborative effort is guided by our Learning Committee and specialized groups like the Work Comp Focus Group, ensuring that our training is both relevant and cutting-edge.

National Insurance Crime Academy (NICTA)

NICTA remains a cornerstone of our training efforts, with a wide array of courses and a strong retention rate among members. The introduction of new courses and the revision of existing ones ensure that our content remains current and valuable. 2024 also introduces exciting advancements in our training methods, including the launch of new microlearning topics such as Paper Vehicle Accidents and AI in Fraud Investigations. Microlearning modules, accessible via ISO and NICTA, allow for quick yet thorough learning sessions tailored to busy professionals.

Our resources are extending beyond our traditional courses, offering podcasts and downloadable materials that cover hot topics like medical fraud, foreign operations, and more intricate fraud schemes. These resources are designed to engage adult learners effectively and keep them updated on the latest trends and techniques in fraud prevention.

Looking ahead, our NICTA team is focusing on new and revised courses that address less traditional topics such as pet insurance fraud and ethical behavior for investigators. Our commitment to quality assurance and comprehensive revisions is stronger than ever, ensuring that our content meets the highest standards of relevance and accuracy.

FraudSmart Courses (Instructor-Led Courses)

This year, our FraudSmart initiative has already seen significant engagement, with thousands of learners participating in our programs, many of whom have earned continuing education credits. Our courses continually receive high ratings for relevance, instructor quality, and overall satisfaction, demonstrating the effectiveness of our training.

As with NICTA, our FraudSmart team is actively updating and revising past courses such as Intro to Insurance Fraud, Preparing a Case for Prosecution, DME, CPT Codes, ALE and Application fraud to just name a few. Our team is also working hard on new courses like, Life Insurance Fraud, Decoding Deception-Essential Interview Techniques and Public Adjustor Fraud and more advanced courses such as Metadata Analysis, Open-Source Intelligence, and Staged Vehicle Collision and Collision Reconstruction. By the year's end, we hope to have 16 more revised and new courses for our members!

Conclusion

The Learning and Development department continues to adapt and innovate to meet the evolving challenges of insurance fraud. Through strategic planning, engaging content, and robust training solutions, we are committed to empowering our industry professionals to excel in their roles and make significant impacts in their fight against fraud.



About the Author: Steve Beltz, Director of Learning & Development (LAD)

As Director of LAD, Steve leads the development of field trainers and delivery of on-site and virtual training for internal staff, member organizations, and Law Enforcement. Previously, Steve was a special agent with NICB, responsible for conducting investigations involving many aspects of insurance fraud. In the past, Steve has been in law enforcement directly or in support operations for over 30 years. Past assignments include computer audio/video forensics and data analysis. Before that, Steve was employed by the Washington State Patrol, spending most of his career as a detective specializing in crime scene investigations, computer forensics, and criminal intelligence.



JULY 30, 2024

IASIU invites you to the July 30 1pm Tigers VS Guardians game.

The \$40 ticket includes your seat at the game and a \$15 food voucher.

Come network with other industry fraud fighters and their families!

*Families & Friends are welcome.

Limited seats available, to secure your ticket you will need to download the MLB app to get the tickets transferred.

Questions? Reach out to Stella Grablick or Missy Comini
estella.grablick@fmins.com mjcomini@acg.aaa.com

Copy the link below into your browser to register
and secure your tickets!

<https://miasiu.square.site/product/2024networking-event-at-comerica-park/4>

More information to come on a pregame get together