

FRAUDULENT CLAIMS BY THE INSURED ON ONLINE SALE CHANNEL OF MOTOR INSURANCE POLICY

Perceived by members of claim staff in one claim management outsourcing company



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ชื่อเรื่อง :

การฉ้อโกงการเรียกร้องค่าสินใหมทดแทนโดยผู้เอาประกันภัย

ของกรมธรรม์รถยนต์ที่ขายผ่านช่องทางอิเล็กทรอนิกส์

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อาจารย์ที่ปรึกษาประจำตัวนักศึกษา...

(คร.ธีรโชติ พงศ์ทวีวุฒิ)

2,MM, 2018

วัตถุประสงค์ในการศึกษาการค้นคว้าอิสระในครั้งนี้ เพื่อศึกษาถึงรูปแบบพฤติกรรมของผู้ เอาประกันภัยที่นำมาใช้ในการฉ้อโกงการเรียกร้องค่าสินใหมทดแทน เพื่อหลีกเลี่ยงเงื่อนใขและ ข้อยกเว้นของกรมธรรม์รถยนต์ที่ขายผ่านช่องทางอิเล็กทรอนิกส์ ซึ่งผู้วิจัยได้ออกแบบสอบถาม และ จัดส่งแบบสอบถามให้แก่เจ้าหน้าที่ในแผนกสินใหมทดแทนรถยนต์ จำนวน 11 ท่าน ของบริษัท ให้บริการการบริหารงานสินใหมทดแทนสำหรับกรมธรรม์รถยนต์ที่ขายผ่านช่องทางอิเล็กทรอนิกส์ แก่บริษัทประกันภัยแห่งหนึ่ง

ผลการค้นคว้าอิสระครั้งนี้ พบว่า ผู้เอาประกันภัยใช้ 21 รูปแบบในการทำการฉ้อโกงการ เรียกร้องค่าสินใหมทดแทน เพื่อหลีกเลี่ยงเงื่อนไขหรือข้อยกเว้นของกรมธรรม์รถยนต์ที่ซื้อผ่าน ช่องทางอิเล็กทรอนิกส์ โดยจัดรูปแบบการกระทำออกเป็น 4 กลุ่ม คือ รูปแบบการกระทำเกี่ยวกับ ระยะเวลาเอาประกันภัย รูปแบบการกระทำเกี่ยวกับรถยนต์ที่เอาประกันภัย รูปแบบการกระทำ เกี่ยวกับการเปลี่ยนลักษณะเหตุการณ์ และรูปแบบการกระทำที่เกี่ยวกับตัวบุคคล นอกจากนี้ จากการ วิจัยยังพบว่าพฤติกรรมเปลี่ยนตัวผู้ขับขี่ขณะเกิดเหตุ ถูกนิยมใช้ และสามารถใช้หลีกเลี่ยงข้อยกเว้น ของกรมธรรม์ได้หลายข้อ อาทิเช่น ข้อยกเว้นเกี่ยวกับการขับขี่โดยบุคคลซึ่งในขณะขับขี่มีปริมาณ แอลกอฮอล์ในเส้นเลือดไม่น้อยกว่า 150 มิลลิกรัมเปอร์เซ็นต์, การขับขี่โดยบุคคลที่ไม่เคยได้รับ อนุญาตขับขี่ ใดๆ หรือเคยได้รับ แต่ถูกตัดสิทธิตามกฎหมาย หรือใช้ใบขับขี่จักรยานยนต์ไปขับ

รถยนต์ หรือเงื่อนไขกรมธรรม์ที่เกี่ยวกับค่าความรับผิดชอบส่วนแรกของผู้เอาประกันภัย และการ พิจารณาตัดสินใจการฉ้อโกงนี้ สามารถกระทำได้โดยบริษัทประกันภัย หรือเจ้าหน้าที่ตำรวจ โดย บริษัทประกันภัยสามารถปฏิเสธการพิจารณาค่าสินใหมทดแทนแก่ผู้เอาประกันภัยได้โดยตรง หรือ ส่งต่อเรื่องให้เจ้าหน้าที่ตำรวจเพื่อดำเนินการสืบสวนขั้นต่อไป โดยการค้นคว้าอิสระครั้งนี้ ไม่ สามารถทำผลการวิจัยออกมาเป็นเชิงสถิติได้

ข้อเสนอแนะในการค้นคว้าครั้งนี้ คือ บริษัทประกันภัยควรให้การฝึกอบรมแก่เจ้าหน้าที่ผู้ ตรวจสอบรถยนต์ที่เกิดอุบัติเหตุ ณ สถานที่เกิดเหตุให้มีความเชี่ยวชาญมากขึ้น บริษัทประกันภัยควร ตรวจสภาพรถยนต์ทุกคันก่อนรับประกันภัย และควรแบ่งปันประวัติความเสียหายหรือ บันทึกข้อมูล รถยนต์หรือข้อมูลลูกค้าระหว่างบริษัทประกันภัยด้วยกัน นอกจากนี้ การบังคับใช้กฎหมายและการ ลงโทษทางกฎหมายแก่บุคคลที่ทำการฉ้อโกง และสนับสนุนการทุจริตในการประกันภัยไม่ควรถูก เพิกเฉย สุดท้ายนี้ ผู้วิจัย แนะนำให้ผู้ทำการศึกษาค้นคว้าครั้งต่อไป ทำการศึกษาเกี่ยวกับพฤติกรรมที่ เปลี่ยนตัวผู้ขับขึ่ขณะเกิดเหตุ หรือใช้จำนวนประชากรกลุ่มตัวอย่างมากขึ้น หรือ ทำการศึกษาการ ฉ้อโกงประกันภัยโดยบุคคลอื่น หรือ กรมธรรม์ประเภทอื่น ๆ หรือศึกษาการฉ้อโกงประกันภัยในเชิง สถิติ หรือ การใช้การวิจัยแบบเชิงคุณภาพและเชิงปริมาณร่วมกัน

ABSTRACT

Title : Fraudulent claims by the Insured on online sale channel of

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The objective of this study was to study and analyze the patterns of behavior of the Insured who use to avoid policy terms and exclusion to make fraudulent claims on online sale channel of Motor Insurance Policy. The survey research by questionnaires were submitted to 11 members of claim staff in one outsourcing company who provides service of claim management of online sale channel for Motor Insurance Policy to one Insurance Company.

The findings revealed that the Insured use 21 patterns to make fraudulent claims avoiding policy terms and exclusions of Motor Insurance Policy on online sale channel. The patterns are classed into 4 action groups; actions related to insurance period, the insured car, changing circumstances and person (The Insured and other parties). The pattern of changing incident driver is frequently use to avoid exclusions, such as driving of the Motor Vehicle by a person who has a blood alcohol level of not less than 150 milligrams percent; or driving of the Motor Vehicle by any person who has not been granted a valid driver's license, or had been granted a valid driving license but was barred from using the driving license, or being granted a driver's license for motorbikes but uses such license for driving of the Motor Vehicle or policy terms concerning deductibles. The consideration of Insurance fraud can be done by Insurance Company or Police Officer. Insurance Company can deny the claim to the Insured directly or report the case to police officer for further inspection. This study cannot produce any statistics of fraudulent motor claims.

The researcher recommend Insurance Company to provide training to motor claim surveyor who inspect at the accident scene for more efficiency, Insurance Company should do car inspection for all cars before Insurance acceptance and share the information of loss record or car/customer among Insurance Companies. Furthermore, Law enforcement and the legal penalty to the person who make and support Insurance Fraud should be not ignored. Finally, the researcher recommend the

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The researcher hopes this study will be a guide for those who are interested in studying the issue of fraudulent car insurance or other insurance in Thailand. If there are any errors, the researcher would like to be solely responsible and welcome the feedback for future research opportunities.

Porntip Klintip April, 2018

TABLE OF CONTENTS

ABSTRA	CT
ACKNOV	VLEDGEMENT
LIST OF	FIGURES
LIST OF	TABLES
LIST OF	APPENDICES
СНАРТЕ	R I : INTRODUCTION
1	.1 Background of the study
1	.2 Research Problem
1	.3 Study Objective
1	.4 Scope and Limitation of the study
1	.5 Definitions
1	.6 Benefits of the study
СНАРТЕ	R II : LITERATURE REVIEW
2	.1 Concept and theory of related laws to Insurance
2	.2 Concept and theory of Insurance Contract
	and Principle of Insurance
2	.3 Concept and theory of Motor Insurance
	and policy terms and exclusions
2	.4 Concept of Online Sale Channel
	of Motor Insurance in Thailand
2	.5 The meaning of Fraud and Insurance fraud
2	.6 Related researches of fraudulent claims on motor insurance
СНАРТЕ	R III : METHODOLOGY
3	.1 Acquisition of data and information
	Conceptual Map
	Study Protocol
	Credibility of instrument
3	.2 The role of the researcher
3	.3 Research instrument
3	.4 Selection of participants
3	.5 Data Collection
3	.6 Data Analysis Procedure

CHAPTER I	V: RESULTS	43
4.1	The patterns of the fraudulent claims	
	used to avoid policy terms & exclusions	43
4.2	The consideration of fraudulent claims	60
4.3	Conclusion drawing	67
CHAPTER V	: CONCLUSIONS AND RECOMMENDATIONS	70
5.1	Summary	70
5.2	Conclusion	70
5.3	Discussion and Suggestions	72
5.4	Contribution	72
5.5	Recommendation for further research	73
REFERENCI	ES	74
APPENDICE	S	76
VITAE		102

LIST OF FIGURES

		Page
Figure 1	Conceptual Map	34
Figure 2	Mind map of the patterns of the frauds used to avoid policy terms and exclusions	60
Figure 3	Mind map of the consideration of fraud claims	67
Figure 4	Conclusion Drawing.	68

LIST OF TABLES

		Page
Table 1	Loss Ratio for motor insurance business, Compulsory policy	5
Table 2	Loss Ratio for motor insurance business, Voluntary policy	6
Table 3	Comparative of main coverage of each type of motor insurance	21
Table 4	Summary of the participants	41

LIST OF APPENDICES

		Page
Appendix A	Translation of Voluntary motor insurance policy, announced by Thai GIA	77
Appendix B	Part of the responded questionnaire	92
Appendix C	Pivot table (in excel) of the patterns of fraud for coding result	100

CHAPTER I INTRODUCTION

1.1 Background of the study

The Insurance industry is regarded as a major role of the financial system and economic structure of many countries, including Thailand. Nowadays Insurance is an important tool for the Thai population to become an integral part of their livelihood. Insurance can contribute materially to Thailand's economic growth and social stability and also can help alleviate financial constraints of the government social services sector.

In Thailand, the main laws directly related to insurance industry are Life Insurance Act B.E.2535 (Amended by Life Insurance Act (No. 2) B.E. 2551 and (No. 3) B.E. 2558, Non-life Insurance Act B.E. 2535 (Amended B.E. 2551), Motor Vehicle Victims Act B.E.2535 (1992) and Insurance Commission Act B.E. 2550.

There are many organization and parties involved in the Insurance industry, mainly are The Office of Insurance Commission (OIC), Insurance Companies, Thai General Insurance Association (Thai GIA), The Thai Life Assurance Association, Insurance Broker Association, Insurance Agent Association, The Society of Actuaries of Thailand.

The Office of Insurance Commission (OIC) is a regulator to control and supervise the insurance business to the generation of Insurance Commission and Office of Insurance Commission in the present day. Insurance Commission Act B.E. 2550 established the Insurance Commission to supervise and promote insurance business conduct in place of the Department of Insurance, Ministry of Commerce in order to take responsibility for the administrative work of the Commission including the criteria, approaches, conditions and practices set by the Commission. The Act also determines that all affairs, authorities, duties, assets, budgets, casualty insurance development fund, life insurance development fund, compensation fund for injured person, debts, rights and obligations of the Department of Insurance for the casualty insurance work, life insurance work and covering work for injured person from vehicle belong to the Office of Insurance Commission, which is effective from September 1, 2007 onwards.

The Office also take charges on supervising and promoting the development of business conducts of insurance companies, supervised the quality, knowledge and operation of agents and brokers of both natural and juristic persons and covered insured person and people having rights and benefits in accordance with the insurance contract to obtain the complete benefits promptly from the insurance system.

The Insurance Development Plan is a national plan, which resulted from the public and private sectors' determination to set measures to develop the insurance system in Thailand. Thai government would like insurance sector to participate in development of capabilities and competitiveness of the country, including playing a role in savings mobilization and also participate in developing capital markets of the country itself. OIC therefore associated with many related organizations such as The Thai Life Assurance Association, The General Insurance Association, The Society of Actuaries of Thailand, Thai Insurance Brokers Association and etc.to provide national insurance plans.

Subject to their Insurance Development Plan Volume II (2010--2014), it states that the Insurance Industry plays a significant role in the social and economic development of a nation, serving as a contributing source of long-term savings and guaranteed security of household and business assets. Insurance helps strengthen the country's commercial, industrial and agricultural sectors to a more solid foundation. OIC therefore need to build confidence and education on the benefits of Insurance to the public or following sectors.

- 1. Insurance gives the financial protection to the insured for the individuals, their families and their properties and helps cultivate the habit of savings
- 2. Insurance contributes to the stability of the business to the business owner and to increase the efficiency of their operations because the owners do not need to be concerned about the risks. It also assist in the extension of credit and reduce the risk of bad debts for the lenders, contribute to the stability of the production costs and to promote the growth of certain types of businesses, particularly the company that related to the high risk.
- 3. Insurance reduces the burden to the society, the economy and the government and to help raise funds for development.

Successively, Insurance Development Plan Volume III (2016-2020) has set the main goals that need to focus on "Thai insurance system sustainably growing and trusted by the population". They aim to be stable and operate efficiently and can compete in the free market. Thai people have knowledge and recognize the importance of insurance. This plan contain the following 4 strategies:

- 1. Enhancing the Insurance Industry's Potential. To ensure that the insurance company has financial strong and run business efficiency. People can trust insurance companies.
- 2. Enhancing knowledge and access to insurance. Make people know and get understanding and recognizing the importance of insurance People can use insurance as a management tool.
- 3. Creating a conducive environment for the insurance company to have a competition.
 - 4. Strengthening the Insurance Infrastructure to support insurance industry.

The readers will be leaded to the basic and technical knowledge of Insurance and its related overview for gaining better understanding of this study.

Risk is defined as uncertainty concerning the occurrence of a loss and is likely to be a more regular event. This was the event that caused the loss or damage to physical assets and results in a financial loss. Risks that can financially cripple or bankrupt if loss occurs. For example, the risk of being injured in an auto accident is present because uncertainly is present. To reduce the frequency or severity of losses is to control risk that includes of avoidance, loss prevention and loss reductions techniques. Insurance is available for the protection of the property or the stability in governance. Risk can be transfer to Insurance.

Importance of Insurance can be divided as follows:

- 1. To consumer: The importance is to provide protection and ensure the security of life and property to their own lives and families.
- 2. To society: The importance of insurance is to ensure the stability of the Insured and help ease the burden of ensuring social. If accidents and damage occur, victims will receive compensation.
- 3. To the economy. The premium is a major funding source of borrowing to invest in a business or expand a business.

Insurance means the pooling of fortuitous losses by transfer of such risks to insurers, who agree to indemnify the Insureds for such losses, to provide other pecuniary benefits on their occurrence, or to render services connected with the risk (defined by The commission on Insurance Terminology of the American Risk and Insurance association). In conclusion, Insurance is a method of transferring risks on one's life and property.

The fundamental Thailand legal principles that are reflected in insurance contracts include principle of indemnity, principle of insurable interest principle of subrogation, principle of utmost good faith, principle of proximate clause and principle of contribution.

In Thailand, type of insurance are classified as two major types of Life Insurance and Non-Life Insurance.

Life Insurance mitigate or compensate for the loss in case of unexpected events that cause loss of life or loss of ability to earn income in the future in the form of compensation paid by the insurer to the insured or beneficiary. The savings arising from insurance premiums as a result of the insured amount will be paid equally it regularly.

Non-Life Insurance can be divided to four classes as below:

- Fire Insurance
- Marine Insurance
- Motor Insurance
- Miscellaneous

Subject to the statistical direct Insurance premium in 2015 by Thai GIA, Thai non-life insurance remains an underdeveloped market, dominated by motor insurance, taking almost 60% of all non-life premiums. Thai insurance market still continue growing and attract the investors, with both life and non-life sectors enjoying strong expansion.

In this study, Motor Insurance which is divided to two major kinds for motor vehicle will be focus. They are a Voluntary Motor Insurance and a Compulsory Motor Insurance.

September 16, 2012, the Government launched the first-car buyer program to contribute to the growth of the automotive industry, which has become a driving force for the Motor Insurance industry affecting both sides of increasing premium and claims.

Thailand has more sales channels from the focus on the agent or broker. In the present there is an increase in sales channels, such as Bancassurance, Worksite, Walk-in, Tele Marketing, Internet, and others.

At present, online trading channels will continue to grow in the future. This channel is going popular and applied to the insurance industry as in the age of globalization, there is an interconnectedness with the Internet, providing access to information and trading can easily grow.

There are more online car insurance policy investors come to Thailand such as directasia.com, roojai.com, frank.co.th. to compete with the existing Thailand Insurance companies who are expanding the online sale channel. However, the rules of online sale process, issuance and claim payment by electronic instruments for insurance policy are declared by Office of Insurance Commission (OIC) in year 2017.

Many insurance companies engage some outsourcing companies to support their claim services; hot line company, motor surveyor company, claim management company, garages network.

In overview, the below table is the loss ratio for motor insurance from year 2011 to 2015, the figures are shown in OIC's website.

Table 1 : Loss Ratio for motor insurance business, Compulsory policy:

Year	Premium	Loss	Loss Ratio	
	(Unit: 1,000 Bht.)	(Unit: 1,000 Bht.)	%	
2011	11,731,317	6,172,875	52.62	
2012	12,202,620	6,218,981	50.96	
2013	13,853,852	6,844,916	49.41	
2014	14,009,246	5,731,027	40.91	
2015	14,716,672	6,524,869	44.34	

Table 2: Loss Ratio for motor insurance business, Voluntary policy:

Year	Premium	Loss	Loss Ratio	
	(Unit: 1,000 Bht.)	(Unit: 1,000 Bht.)	%	
2011	68,491,564	37,573,014	54.86	
2012	74,658,975	43,493,402	58.26	
2013	90,331,366	53,940,992	59.71	
2014	92,557,018	55,865,866	60.36	
2015	92,250,344	58,813,278	63.75	

Source: http://www.oic.or.th/th/industry/statistic/data/40/2

According to the above records of voluntary motor insurance policy, it seem that the loss ratio is continuously growing. This will reflect the financial security of insurance companies and the increasing numbers of accident in Thailand.

1.2 Research Problem

One of the factors that affect the premium increase is related to the loss record from claim side which involve in both normal claims and fraudulent claims.

For normal claims, they are filed during the year of insurance arising from negligence of the insured vehicle or not third party identified will reflect the premium surcharge when renew policy. The Insurance Company will allow premium discount to the Insured if no claim reported during the Insurance period. Mostly, the Thai policy holders will renew their expiring policy with the other Insurance Company due to the increase in renewal premiums from existing Insurance Company. They avoid declaring the truth of their loss record to the new insurance company for cheaper prices.

For fraudulent claims, there are many circumstances reported and their numbers are increasing. The payment of the compensation for fraudulent claims is higher. This is not beneficial to all any parties. The Society of Actuaries of Thailand will reconsider the premium rates if the higher claim amount affected. Therefore the Insured who have good faith have to pay the higher premiums more than they actually are.

Fraudulent claims will effect on the Insurer-Insured connection and also might have the related service providers such as garages, motor surveyors and other service providers etc. involved.

There is no any statistic of how much insurance company pay the fraudulent motor claims. However, Thai Insurance Association estimated that fraudulent claims cause systemic leakage each year is about 10% or about 10 billion baht, with 60% fraudulent claim of motor claims. (https://www.posttoday.com/finance/insurance/525734)

The Office of Insurance Commission (OIC) has concerned about the fraudulent motor insurance claims, subject to the statistical loss records by Insurance companies. Since the Insurance Development Plan no. 2, OIC has developed a Corporate Plan to solve this problem. OIC is restructured a unit for the formation of Insurance Force Investigation to prevent fraud in the insurance industry.

Non-life insurance fraud is defined as a criminal case that can be compromised. Actually, the financial loss in fraud of non-life insurance affects to the public due to social and economic consequences.

Most insurance companies do not prosecute the person who make fraud because the Supreme Court judged the case no. 1376-1380 / 2508 that the Insured or the beneficiary has caused an Insurance fraud and the Insurance Company does not pay any compensation. There is no need to file a lawsuit against the insured or the beneficiary as a criminal offense, thus causing the offender to be not afraid of the law. The insurance companies also do not want to have a conflict with the Insured who is their customer as afraid that it will be defamatory and a waste of time and money in litigation (Apisak Kamdee: 2005: 44).

However, if the Insurance Company can detect that the claim is fraudulent, the insurance company does not to pay any compensation and no financial problems. This will not affect the customer, business, investment and also economy of the country.

It is therefore interesting to study the patterns of the Thai Insured on the issue of fraudulent claim on online sale channel of Motor Insurance Policy that its information will be useful for the relevant consideration.

1.3 Study Objective

The researcher would like to study and know the patterns of behaviour that Insured use to avoid policy terms and exclusions which is the key part when consider the claims.

To explore and appreciate by sending questionnaire to members of claim staff in one Claim Management Outsourcing Company for online sale channel for Motor Insurance business in Thailand and this must be consistent with the way in the future, this research is aimed at finding out the behavior or patterns of The Thai Insured to make fraudulent motor claim on online sale channel motor insurance policy. The study attempts to answer the research questions:

- 1. What are the patterns that Thai Insured use to make fraudulent motor claim on online sale channel to avoid policy terms and exclusion?
 - 2. Who consider fraudulent motor claim?
 - 3. What is the further action after Insurance fraud discovered?
 - 4. How many of fraudulent motor claims in statistic?

1.4 Scope and Limitation of the study

The scope of research refers to the areas that will be covered in the research such as defining topic, literature review, research design by Qualitative Approach that will apply deep questions with experiences 11 members of claim staff in one motor claim management outsourcing company, i.e, Surveyors, Assessors, Claim Executive, Senior Claim Executive, Assistant Manager, define source of data, data analysis and reporting.

Due to the qualitative research, this study will be focused mainly on the elaboration of the patterns of fraudulent claims for online sale channel motor policy that the Insured use to avoid policy terms and exclusions.

Scope of the population in this study is limit to some members of claim staff with at least one year experience in one Claim Management Outsourcing Company for online sale channel of Motor Insurance business and also more three years experienced in Insurance organization.

Limitations are usually determined by budget and time. There are some limitations on studying this project and the study cannot reveal the name of population in this report.

1.5 Definitions

Any information in questionnaire is the opinion from the person who is in charge in the Claims Department not the opinion of the Insured.

For more understanding in this study, the meanings of some words of motor insurance are mentioned as follow:

The Insured means the person, group, or property for which an insurance policy is issued. (www.investorwords.com)

Insurer refers to the party to an insurance arrangement who undertakes to indemnify for losses. (www.investorwords.com)

Motor Insurance is a kind of Insurance that provides coverage for loss or damage caused by a car accident. Generally it provides coverage for damage to car, driver/ passenger of insured car and life, body and property of third parties.

Fresh claim means claim that needs to be checked by Insurance staff or motor surveyor at the scene of the accident i.e. accident that there are two or parties involved, parties have been injured, insured car or third party car have got serious damage.

Dry claim refers to claim that will not require Insurance staff or motor surveyor to check at the accident scene. Mostly, this claim will relate to slightly damaged or accident that there is no party involved.

Land vehicle under the motor insurance policy specifically means car with power using fuel power such as oil, gas or electricity and Include tram rail trailers.

Deductible means the amount of the liability or damage which is covered under the Policy or endorsement which shall be borne by the Insured.

Policy exclusions is a provision within an insurance policy that eliminates coverage for certain acts, property, types of damage or locations. Things that are excluded are not covered.

1.6 Benefits of the study

The research can provide the knowledge or information related to Thai people who work for the Insurance field, especially Motor Claim Department, to gain better understanding about the patterns of fraudulent motor claims on online sale channel.

The information in this research can be a guide line for claim investigators to manage the claim and also it will be useful for the management level to plan their strategy.

The above discussion leads me to identify the following research objective statement:

- 1. To study and understand the patterns that Thai Insured or incident driver who use to make fraudulent motor claim.
- 2. To study and understand who can be involved in Insurance fraud, aside from the Insured.
- 3. To analyze the circumstances of accident supporting to make fraudulent motor claims
- 4. To recommend for the related Insurance service sectors, especially Motor Claim Department to gain a better understanding of fraudulent motor claims.

CHAPTER II LITERATURE REVIEW

Fraudulent claims on online sale channel of Motor Insurance Policy perceived by members of claim staff in one outsourcing company who manage motor claims for online sale channel to Insurance Company, the researcher explored the key literatures and related literatures concerning to fraudulent Insurance claims, especially motor insurance claims, with both domestic research and international research and also related concept and theory from some books and journal.

- 2.1 Concept and theory of related laws to Insurance
- 2.2 Concept and theory of Insurance Contract and Principle of Insurance.
- 2.3 Concept and theory of Motor Insurance Policy and its terms and exclusion
- 2.4 Concept of Online Sale Channel of Motor Insurance in Thailand
- 2.5 The meaning of Fraud and Insurance fraud.
- 2.6 Related researches of fraudulent claims on motor insurance

2.1 Concept and theory of related laws to Insurance

There are some Acts that related to Insurance business; Life Insurance Act B.E.2535 (Amended by Life Insurance Act (No. 2) B.E. 2551 and (No. 3) B.E. 2558, Non-life Insurance Act B.E. 2535 (Amended B.E. 2551), Motor Vehicle Victims Act B.E.2535 (1992), Insurance Commission Act B.E. 2550 and Consumer Protection Act, B.E. 2522.

However, the Thai Civil and Commercial Code, one of important Thailand law which directly related to Insurance contract, will be mentioned in this subject to demonstrate the Insurance matters in this study.

The Civil and Commercial Code is the substantive law of Thailand and is structured into six categories, consisting of Book 1 General Principles, Book II Obligations, Book III Specific Contracts, Book IV Property, Book V Family and Book VI Succession.

Insurance appears in Book III, Title XX with 3 chapters from section 861 to 897; Chapter I General Provisions, Chapter II Insurance Against Loss and Chapter III, Insurance on Life.

After reviewing, the important insurance matters related to The Civil and Commercial are summarized as follow:

The Insurer will pay the indemnity to the Insured when the accident falls in the insurance contract and the Insured must pay insurance premiums to the insurer, subject to Section 861 Insurance Contract "A contract of insurance is one in which a person agrees to make compensation or to pay a sum of money in case of contingent loss or any other future event specified in the contract, and another person agrees to pay therefor a sum of money, called premium."

Non- Life insurance is all kind of insurance, not including life assurance and can be estimated as money if suffer loss, such as a car accident, fire and etc., according to Section 869. Loss "Loss, within the meaning of this Chapter, includes any injury which may be estimated in money."

If the insured property of the Insured has transferred to other person, the insurance contract will be transferred in case of transfer by contract and informed the insurer or transfer by will or transferred by the provisions of the law.

Section 875. Transfer of the Rights of the Insured

If the subject of insurance passes from the insured by will or operation of law, the rights under the contract of insurance are transferred with it.

Unless otherwise provided by the contract, if the insured transfers the subject of insurance and notifies the transfer to the insurer, the rights under the contract of insurance are transferred with it. If, by such transfer, the risk is substantially altered or increased, the contract of insurance becomes void.

The Insurer does not have to compensate for any damages caused by fraud or deliberately damage or gross negligence by the Insured or beneficiary or inherent vice of property insured, according to Section 879. Bad Faith by the Insurance Beneficiary.

The insurer is not liable if the loss or other event specified in the contract is caused by the bad faith or the gross negligence of the insured or the beneficiary.

The insurer is not liable for loss resulting directly from the inherent vice of the subject of insurance unless otherwise provided.

Prescription of claims must be acted within 2 years from the date of the accident as well as premiums payment or refund between the Insurer and the Insured after due.

Section 882. Statute of Limitations

No action for payment of compensation can be entered later than two years after the date of the loss.

No action for payment or refund of a premium can be entered later than two years after the date when the right to payment or ref und of premium became due.

Some sections of this Law; such as 863, 865, 870, 877 and etc. will be mentioned in the next concept due to relate to the principle of insurance.

Furthermore, there is one more title related to Insurance. Wrongful Acts is a one law inside Civil and Commercial Code that calls for compensation that are under the responsibility of the person who cause damage to another person. People who suffer loss or damage must be healed by claiming compensation of call for violators to act or omit to act in other ways, as the case may be after one year when know the person who do the wrongful act. Wrongful Acts is contained in section code 420-452 in Title V of Book 2 Obligations with 3 chapters.

Section 420. A person who, willfully or negligently, unlawfully injures the life, body, health, liberty, property or any right of another person, is said to commit a wrongful act and is bound to make compensation therefore.

Section 448. The claim for damages arising from wrongful act is barred by prescription after one year from the day when the wrongful act and the person bound to make compensation became known to the injured person, or ten years from the day when the wrongful act was committed.

However if the damages are claimed on account of an act punishable under the criminal law for which a longer prescription is provided such longer prescription shall apply.

There is another law related to Fraud and Insurance Fraud which is a part of Criminal Code. It mentions in Sections 341-348 of Specific Offenses, Title XII, Offence Against Property.

Section 341. Fraud

Whoever dishonestly deceives a person with the assertion of a falsehood or the concealment of the facts which should be revealed, and, by such deception, obtains a property from the person so deceived or a third person, or causes the person so deceived or a third person to execute, revoke or destroy a document of right, is said to commit the offence of cheating and fraud, and shall be punished with imprisonment not exceeding three years or fined not exceeding six thousand Baht, or both...

...Section 347. Insurance Fraud

Whoever, so as to oneself or the other person to obtain the benefit the insurance, maliciously causing the danger to the insured property, shall be imprisoned not out of five years or fined not more than ten thousand Baht, or both...

Presently, the researcher has understood that Office of Insurance Commission (OIC) is going to amend and add the penalty of Insurance Fraud in related Laws.

Dr. Suthiphon Thaveechaiyagarn, a Secretary-General of the Office of Insurance Commission (OIC) said that to solve the problem and reduce fraud in the insurance industry. The Insurance Commission has proposed to amend the wording of the Act (Act) on Life Insurance Act in Section 114 / 3-114 / 5 and the draft of Non-Life Insurance Act in Section 108 / 3-108 / 5, with the Issue "Insurance fraud", which has not previously stated in these laws. The latest draft of both laws is in the process of revising the wording before proposing to the Ministry of Finance to further consider.

In draft, the law says the offender will be punished. Whether it is an agent or broker or Insurance Company or any person, such as who deceive others to make life insurance / non-life insurance with Insurance Company and take away the property from others will be punished with imprisonment not exceeding 3 years or a fine not exceeding 6 thousand baht or both. Or anyone claiming benefits under the insurance policies by fraud and show false evidence will be punished by imprisonment not exceeding 5 years or fine not exceeding 10,000 baht or both.

(http://m.prachachat.net/news_detail.php?newsid=1471419129)

2.2 Concept and theory of Insurance Contract and Principle of Insurance.

Insurance means the pooling of fortuitous losses by transfer of such risks to insurers, who agree to indemnify the Insured for such losses, to provide other pecuniary

benefits on their occurrence, or to render services connected with the risk (defined by The commission on Insurance Terminology of the American Risk and Insurance association). In conclusion, Insurance is a method of transferring risks on one's life and property.

Insurance is a one type of contract which is a special rule differ from the general contract. Important parts of Insurance are stated in The Civil and Commercial Code. However, there are still general principles as well as other types of contracts.

Insurance is a legal contract. The agreement between the two parties, with one party expressing intent to request insurance by the insured and the other side expressed the intention is that the Insurer accept the application for insurance. The insurance contract has some specials as below:

- 1. It is an unfair compensation agreement.
- 2. It is a contract of uncertain future.
- 3. The contract is not a form but there must be evidence in the documents to file a lawsuit.

Section 867. A contract of insurance is not enforceable by action unless there be some written evidence signed by the party liable or his agent.

A policy of insurance conforming to the contract shall be delivered to the assured. The policy must be signed by the insurer and contain:

- *1) The subject of the insurance.*
- 2) The risk taken by the insurer.
- 3) The value of the insurable interest, if that has been fixed.
- 4) The sum insured.
- 5) The amount of the premium and manner of its payment.
- 6) If the duration of the insurance has been fixed, its commencement and ending.
- 7) The name or trade name of the insurer.
- 8) The name or trade name of the assured.
- 9) The name of the beneficiary, if any.
- 10) The date of the contract of insurance.
- 11) The place where, and the date when, the policy was made.
- 4. It is a contract that requires honesty to each other.
- 5. It is a contract that the Insured must have an insurable interest in the insurance.

6. It is a contract that the Insured will not gain profit from the insurance.

The fundamental Thailand legal principles that are reflected in insurance contracts include principle of insurable interest, principle of utmost good faith, principle of indemnity, principle of subrogation, principle of contribution and principle of proximate clause.

For the principle of insurable interest, the Insured must stand to lose financially if a loss occurs. All insurance contracts must be supported by an insurable interest to be legally enforceable. The insurable interest requirement must be met at the time of loss in property insurance but for life insurance, the insurable interest requirement must be met only at the inception of the policy, according to Section 863, A contract of insurance is not binding on the parties unless the assured has an interest in the event insured against.

The principle of utmost good faith is primarily for the insured or the customer to reveal the truth for insurance. In fact, if the insurance company knows, it may raise the premium or decline the guarantee. This is because accurate information can make insurers (insurance companies) aware of the risks of property that they will have to guarantee. Insurance premiums may be adjusted in case of high risk but acceptable or may not deny insurance.

Section 865.

If at the time of making the contract, the assured, or, in case of insurance on life, the person upon whose life or death the payment of the sum payable depends, knowingly omits to disclose facts which would have induced the insurer to raise the premium or to ref use to enter into the contract, or knowingly makes false statements in regard to such facts, the contract is voidable.

If such right of avoidance is not exercised within one month from the time when the insurer has knowledge of the ground of avoidance, or within five years from the date of the contract, such right is extinguished.

The principle of indemnity states that the insurer should not pay more than the actual amount of the loss. It means that the Insured should not make a profit from a covered loss.

Section 877. Compensation Requirements
The insurer is bound to pay compensation for:
(1) The actual amount of the loss;

- (2) The damage caused to the insured properly by reasonable measures taken for preventing the loss;
- (3) All reasonable expenses incurred for preserving the insured properly from the loss. The actual amount of the loss shall be valued at the place where, and at the time when, the loss occurred. The sum insured is presumed to be a correct basis for such valuation.

The compensation cannot exceed the sum insured.

The principle of subrogation means that the insurer is entitled to recover from a negligent third party any loss payments made to the Insured. The purposes of subrogation are to prevent the insured from collecting twice for the same loss, to hold the negligent person responsible for the loss, and to hold down insurance rates. Subrogation does not apply to life insurance contracts.

Section 880. Subrogation by Insurer against Third Parties

If the loss is caused by the act of a third person, the insurer who pays compensation is subrogated, up to the amount paid by him, to the rights of the insured and of the beneficiary against such third person.

If the insurer has paid part only of the compensation, he cannot exercise his right to the prejudice of the right of the insured or of the beneficiary to claim from the third person for the remainder of the loss.

The contribution principle in insurance is a rule that specifies what happens when a person buys insurance from multiple companies to cover the same event, and that event occurs. The principle says that if the policyholder files a claim with one company, that company is entitled to collect a proportional amount of money from the other involved insurance companies.

Section 870. Multiple Insurance Contracts

If two or more contracts of insurance are made simultaneously for the same loss and the total amount of the sum insured exceeds the actual amount of the loss, the beneficiary is entitled to receive compensation up to such amount only. Each insurer must pay a part of the actual loss in proportion to the sum insured by him.

Contracts of insurance are deemed to have been made simultaneously if their dates are the same.

If two or more contracts of insurance are made successively, the first insurer is first liable for the loss. If the amount paid by him is not sufficient to cover the loss, the next insurer is liable for the difference and so on, till the loss is covered.

Proximate clause refers to an unbroken chain of events causing the damage, between the occurrence of an insured peril and damage or destruction. According to this principle, an insurance policy is designed to provide compensation only for such losses as are caused by the perils which are stated in the policy when the loss is the result of two or more causes without intervention, subject to Section 877. Compensation Requirements, "(2)The damage caused to the insured properly by reasonable measures taken for preventing the loss;"

When such damage or loss occurs to insured property the above mentioned principles will be considered in terms of paying claims correctly.

2.3 Concept and theory of Motor Insurance Policy and its terms and exclusions

Motor vehicle insurance, also called automotive insurance, a contract by which the insurer assumes the risk of any loss the owner or operator of a car may incur through damage to property or persons as the result of an accident. There are many specific forms of motor vehicle insurance, varying not only in the kinds of risk that they cover but also in the legal principles underlying them. (https://www.britannica.com/topic/motor-vehicle-insurance)

In practical, Motor Insurance is called in Thailand and in general, the documents related to Motor Insurance are consisting of:

- 1) Insurance Application Form
- 2) Insurance policy
- 3) Endorsement
- 4) Additional Clauses or Special Clauses

Insurance application is the document that the Insured submits to the Insurer to require doing Insurance. It is considered a proposal to create insurance contracts. The insurer usually provide the application form in order for the applicant to answer the questions as necessary for each type of insurance.

The form of the insurance policy consists of heading, policy schedule, insuring agreement/coverage, policy terms and conditions, policy exclusions, miscellaneous provisions and signature.

- Heading will show name and address of Insurance Company including logo or trademark
- Policy schedule states the basis descriptions of name insured, address, property insured, sum insured, location of property insured and insurance period
- Insuring agreement/coverage will tell what, where, when, how the policy cover i.e. person insured, property insured, specified or name perils, limit and etc. This part might show in policy attachment or in policy schedule.
- Policy terms and conditions is a general condition in the insurance policy stating the details of right, duty and rules that will apply to the insurance contract that the parties must comply with during the insurance contract. This part includes the implied conditions even though it is not written in the contract, but is the basic principle of insurance that is effective and the express or particular conditions which clearly identifies the methods or relevant in compliance with the contract.
- Policy exclusions include details of what the Insurer did not intend to cover. It may be an event or disaster, which is often subdivided for clarity in the contract.
- Miscellaneous provisions is a general requirement and is not a conditional statement what should do or not do. Mostly, the rules are specified in the case where the insurance policy or relationship of related person.
- Signature of authorized person of Insurance Company and company stamp will appear at the bottom of policy schedule as evidence of Insurance acceptance by Insurance Company.
- Endorsement is a document that shows the modification of the terms of the insurance contract. During the insurance period, the parties may agree to amend, add or change the terms, exclusions including any clause in the policy. The insurer will endorse the matters to the Insured as evidence.
- Additional Clauses or Special Clauses is the attachment attached to the insurance policy and is part of the insurance policy. This is to explain more of additional terms, limits, exceptions and more extend additional coverage.

In Thailand, the motor insurance policy provides coverage from the effective date until the end of the insurance period. The Company will not issue an insurance policy for a period exceeding one year but if customer want to extend the insurance period that exceeds one year, Insurer will issue endorsement or any attachment that the extension period shall not exceed 90 days with a pro-rata premium basis.

A) If the applicant notify in advance, the Company provides insurance and coverage start from 00:01 pm of the inception date.

B) If the applicant notify on the same day that begins the period of insurance, assume that the time that company agree to accept the application is the time to start the coverage.

The coverage will be end at 16.30 hrs. of expire date.

For Voluntary Motor Insurance, it is divided to five categories:

- 1. Type 1 is to cover for all damages to insured vehicle from any causes that specifically excluded in the policy. The coverage includes the damage or loss resulting by fire or the act or attempt of theft, robbery, gang robbery. The coverage also includes the damages of property, loss of life or bodily injury incurred to a Third party that the Insured or driver has a legal liability for the accident.
- 2. Type 2 is the coverage for insured vehicle in case of the damage or loss caused by fire or the act or attempt of theft, robber, and gang robbery only. As same as the Type 1, the damage or loss incurred to a Third party that the Insured/driver will be responsible subject to the legal liability.
- 3. Type 3 is to cover the damage or loss incurred to a Third Party only for the property damage or loss of life or bodily injury. There is no any coverage for the insured vehicle.
- 4. Type 4 is to cover for the third party property damage only with the limit of Bht. 100,000.00 each and per occurrence that the Insured or drive has a legal liability for the accident.
- 5. Type 5 is to cover for specific perils. In Thailand, Type 2 plus (2+) and Type 3 plus (3+) are available in the Thailand insurance market.
 - 5.1 Type 2 + will cover on the basis of Type 2 and plus additional coverage on the limited amount for the damage to insured car that have a collision with land vehicles.
 - 5.2 Type 3+ will cover basing on Type 3 coverage. The coverage with the limited sum insured for the damage to insured car that have a collision with land vehicles is included. The incident driver at fault will be responsible for Bht. 2,000.00 policy deductible.

Table 3 Comparative of main coverage of each type of motor insurance

Type of motor	Own Damage			Third Party	
Insurance	Theft	Fire	Collision	Property	Bodily
				Damage	Injury
Type 1	$\sqrt{}$	$\sqrt{}$	V	$\sqrt{}$	V
Type 2	V	V		V	V
Type 3				$\sqrt{}$	$\sqrt{}$
Type 4				$\sqrt{}$	
Type 5					
> 2+	1	V	o √	V	V
> 3+		721 16	\sim \sim	V	V

Compulsory Motor Insurance refers to an Insurance coverage for medical expenses of bodily injury only of road victims that Thai government requires the owner of motor vehicle that uses motor vehicle or possess motor vehicle for using shall have this Insurance, subject to the Protection for Motor Vehicle Victims Act.

When the accident happened, the Insured or their representative will notify the claim for the coverage.

Insurance claim means a formal request to an insurance company asking for a payment based on the terms of the insurance policy. Insurance claims are reviewed by the company for their validity and then paid out to the insured or requesting party (on behalf of the insured) once approved.

(http://www.investopedia.com/terms/i/insurance_claim.asp)

For the case of Motor insurance, there are many parties involved when an accident occurs in the claims which could be summarized as the following steps.

- 1. The Insured or their agent/broker will notify the claim when accident occurs.
- 2. Normally, Motor surveyor will be assigned for car inspection at the scene of incident. The case might involve with third party who get bodily injury or property damage.
- 3. In case of bodily injury, the injured person will be sent to hospital or clinic for immediate treatment. The compulsory motor insurance will be submit
- 4. In case collision by two or more parties, the police officer will be called for the conclusion of who is at fault.

- 5. Insurance Company's claim handlers will check the policy liability when they receive the claim report. They will handle the claim and review policy terms and exclusions that no policy exclusions appear to apply and make sure that policy liability is engaged.
- 6. If the insured vehicle get seriously damage, a tow car will be asked for assistant to transport the damaged car to the garage.
- 7. The damaged vehicle will be repaired at the garage that assess the damage and submit the repair quotation to Insurance Company's claim handler for approval.
- 8. Insurance claim assessor will be assigned to inspect the damaged car and cross check the quoted items for the repair.
- 9. After claim approval, they will request claim payments to related parties and service providers and finalize the claim. Therefore all expenses and fees will be paid. Mostly, service providers such as surveyors, medical service providers, garages, tow car providers, windscreen repairer and etc. will be payees. The Insured or third party can reimburse their expenses.
- 10. In case of lost car, the beneficiary or financial company will be the first person to received claim payment.

Claim Consideration, subject to step 5, claim handlers will review the case with the policy terms and exclusion to make sure that customers will not make any circumstances or evidences to avoid policy terms and exclusions so that policy liability will be engaged.

Insurers will deny the claim from many reasons, such as

- 1. The Insured of the breach of conditions, i.e. the Insured failed to disclose that the vehicle had been modified.
- 2. Policy exclusions are considered to apply, i.e. using of the motor vehicle for racing, using outside the scope as specified in the policy schedule at the time of accident, driving by the person who has an alcohol content of equal or greater than 150 milligram percent, driving by a person who has never obtained a license to drive any motor vehicle and etc. This will make Insurers to not accept the claim of damaged own insured vehicle
- 3. The Insured or related parties make fraudulent claims if Insurers have evidences to prove.

The full wording of Motor Insurance policy terms and exclusions is shown in the Appendix of this study.

Here below is the some wording of policy exclusions of each coverage section for own damage and third party liability;

COVERAGE FOR LOSS OF OR FIRE DAMAGE TO THE MOTOR VEHICLE

5. EXCLUSIONS

This insurance does not cover loss or fire incurred from:

- 5.1 damage or loss from theft or embezzlement by the authorized person, or by the person possessing the Motor Vehicle under a hire agreement, hire purchase agreement or pledge agreement, or by the person attempting the aforementioned acts; or
- 5.2 use of the Motor Vehicle outside the territorial limits of the Policy.

COVERAGE FOR DAMAGE TO MOTOR VEHICLE

7. EXCLUSIONS OF OWN DAMAGE

This Policy does not cover

- 7.1 depreciation or wear and tear of the Motor Vehicle;
- 7.2 mechanical breakdowns, or mechanical or electronic failures which are not due to an external accident;
- 7.3 damage to the Motor Vehicle caused directly by overloading or exceeding the number of passengers limited by law, which is not due to an external accident;
- 7.4 damage to tires caused by braking, punctures, cuts or bursts unless damage occurs to another part of the Motor Vehicle at the same time; or
- 7.5 loss of use of the Motor Vehicle, unless such loss is caused by the Company delaying the repair, or taking unnecessary time to repair the Motor Vehicle without good reason.

8. EXCLUSIONS OF USE

The coverage in this section does not cover the liability arising from:

- 8.1 use of the Motor Vehicle outside the territorial limits of the Policy;
- 8.2 use of the Motor Vehicle for an illegal purpose, e.g. robbery or carrying of drugs;
- 8.3 use of the Motor Vehicle for racing;

9. OTHER EXCLUSIONS

This insurance also does not cover:

9.1 use of the Motor Vehicle for towing or pushing, except if the Motor Vehicle that is being towed or pushed is also insured by the Company or the Motor Vehicle is specially built for towing purposes, or the Motor Vehicle is adapted with the connecting braking system;

- 9.2 use of the Motor Vehicle outside the scope as stated in the Schedule;
- 9.3 driving of the Motor Vehicle by a person who has a blood alcohol level of not less than 150 milligrams percent; or
- 9.4 driving of the Motor Vehicle by any person who has not been granted a valid driver's license, or had been granted a valid driving license but was barred from using the driving license, or being granted a driver's license for motorbikes but uses such license for driving of the Motor Vehicle.

The exclusions as stated in 9.1, 9.2, 9.3 and 9.4 do not apply in the event the damage of the Motor Vehicle is not due to the negligence of the driver of the Motor Vehicle under this Policy.

However, in the event the Policy specifies a named driver, the exclusion in 9.4 does not apply if the driver at the time of the accident is the same person as specified in the Schedule.

COVERAGE FOR THIRD PARTY LIABILITY

7. GENERAL EXCLUSIONS

The coverage in this section does not cover the liability arising from:

- 7.1 use of the Motor Vehicle outside the territorial limits of the Policy;
- 7.2 use of the Motor Vehicle for an illegal purpose, e.g. robbery or carrying of drugs;
- 7.3 use of the Motor Vehicle for racing;
- 7.4 use of the Motor Vehicle for towing or pushing, except if the Motor Vehicle that is being towed or pushed is also insured by the Company or the Motor Vehicle is specially built for towing purposes, or the Motor Vehicle is adapted with the connecting braking system;
- 7.5 contractual liability to which the Driver agrees if there were no such contract, such liability would not have existed; or
- 7.6 driving of the Motor Vehicle by a person who has a blood alcohol level of not less than 150 milligrams percent.

2.4 Concept of Online Sale Channel of Motor Insurance in Thailand

Thailand's internet users over the past few years have been 38 million users, 56% of the country's population, 68 million, and 41 million or 60% are social network users. The most popular social networking sites in Thailand are Facebook 92.1%, Line 85.1%, and Google 67%. Mobile phone users in Thailand in late 2015 increase especially smartphones with 20 million users and 4G networks to 10.8 million users.

Nowadays, behavior of Thai people is changing. They start to use internet for shopping goods or more services through digital channels.

Certainly, the Insurance business comes to the online market as well, especially Motor Insurance. For the global automobile insurance trend, over the next few years, SSI global NPS surveys forecast that more than 79% of shoppers are likely to use digital channels.

There are many entrepreneurs to enter the competition in online sale channel of Motor insurance in Thailand such as directasia.com, roojai.com, frank.co.th, gobare.co.th, and so on. This channel can provide cheaper premium and more advantages to customers when compare to the other channels.

Online sale channel continue growing up as customers will get more comfortable as they can buy anywhere they are and they can pay by credit card with visa or master card, payment via debit card, bank transfer, ATM, or I-Banking and can be paid through Counter Service Counter Service.

Speed for online insurance, the insurer can fill in information and information for online insurance application through the web page. Call Center or Live Chat is available for immediate inquiries or inquiries when you want to apply for online insurance.

No need to submit any documents and reduce time consuming and costly. If customers choose to apply to Online Insurance, it will help to simplify the process of applying for insurance. Customers can also wait for the confirmation of their insurance.

Importantly, there are many promotions and privileges. There are promotions that will help customers feel better than the other channels, such as 0% installment for 10 months, a car to use when your car is under repair, petrol voucher, free of Travel insurance, 24 hour emergency assistance.

According to Office of Insurance Commission (OIC), the online sale (Electronic) channel of Life Assurance products and Non-Life Insurance products are under the control of clear rules. It is now announced that the two versions will be published in the Royal Gazette from February 27, 2017, which will be effective after 180 days from the date of publication in the Government Gazette. This will allow small and medium sized businesses to have time to adjust and prepare for the offering of life insurance products and non-life insurance products. This will be beneficial to the insurance industry and people will have easy access to insurance products. This is a new channel. The Insured can declare its intention to apply for insurance through electronic.

The sale through electronic channel which has been approved of the insurance policy, must be approved by the regulator.

In addition, the two announcements also include measures to safeguard the security of information systems to create confidence in the people who apply for insurance in electronic transactions as well.

2.5 The meaning of Fraud and Insurance fraud.

The uslegal.com give meaning of Fraud as below:

Fraud is generally defined in the law as an intentional misrepresentation of material existing fact made by one person to another with knowledge of its falsity and for the purpose of inducing the other person to act, and upon which the other person relies with resulting injury or damage. Fraud may also be made by an omission or purposeful failure to state material facts, which nondisclosure makes other statements misleading.

To constitute fraud, a misrepresentation or omission must also relate to an 'existing fact', not a promise to do something in the future, unless the person who made the promise did so without any present intent to perform it or with a positive intent not to perform it. The false statement or omission must be material, meaning that it was significant to the decision to be made. Also, an opinion does not constitute an existing fact and cannot be the basis of a claim of fraud unless the person stating the opinion has exclusive or superior knowledge of existing facts which are inconsistent with such opinion.

The misrepresentation or omission must be made knowingly and intentionally, not mistakenly or accidentally, so that the person either knew or should have known of the falsity or acted in negligent disregard of its truth or falsity. The person charged with fraud must have intended the Plaintiff to rely on the misrepresentation or omission and Plaintiff must have been injured by such reliance to prevail on the claim. Sometimes, it must be shown that Plaintiff's reliance was justifiable, and that upon reasonable inquiry would not have discovered the truth of the matter. For injury or damage to be the result of fraud, it must be shown that, except for the fraud, the injury or damage would not have occurred. Fraud in the factum means fraud in the obtaining the execution of the agreement or delivery of a document. As opposed to fraud in inducing someone to sign a document, it is fraud regarding the contents of the document, so that the person defrauded

is unaware of what they are signing. (http://definitions.uslegal.com/c/civil-causes-of-action-fraud/)

Insurance fraud refers to an illegal act on the part of either the buyer or seller of an insurance contract. Insurance fraud from the issuer (seller) includes selling policies from non-existent companies, failing to submit premiums and churning policies to create more commissions. Buyer fraud includes exaggerated claims, falsified medical history, post-dated policies, viatical fraud, faked death or kidnapping, murder and much more. (http://www.investopedia.com/terms/i/insurance-fraud.asp)

Khun Chuleekorn Taesopapong from The Insurance Premium Rating Bureau – IPRB explained the meaning and type of Insurance Fraud in Insurance Journal, April-June 2015 by Thai General Insurance Association as below:

Insurance Fraud includes any action beyond the truth in order to get more compensation than reality or have the intention to distort the truth or intervene in the compensation process to get benefits even though no real damage.

To receive the over actual compensation, it might be from opportunistic fraud. At first, it may not be planned but the situation escalated causing the cheating plan. Or in another case, embezzlement may be caused by deliberation or by a plan that is normally done by a specialist or often done by gangsters.

Insurance Fraud has classified to two types as Soft Insurance Fraud and Hard Insurance Fraud as follows:

Soft Insurance Fraud is usually a fraud that has no plans beforehand but the situation led to or found loopholes opportunity to act. This is a common form of cheating. Examples of this type of fraud, such as the Insured has a car accident and claims for personal injury case. But the Insured claims to get more compensation than the actual symptoms.

Hard Insurance Fraud is a fraud that has a scheme or a method that may have a staff inside the Insurance Company to help outsiders get the insurance claims. This type of fraud may occur less frequently but the damage or loss per one occurrence will be high amount.

The researcher also find out the meaning and significance of fraudulent claims from some websites.

Fraudulent claim means intentional use of false information in filing a claim. (http://thelawdictionary.org/fraudulent-claim/)

A fraudulent claim, in the context of insurance, is a claim based on a misrepresentation of facts with the intention of wrongfully gaining insurance benefits. A fraudulent claim is also known as a false insurance claim.

A fraudulent claim may be classified as hard and soft fraud. The former is when a claimant deliberately plans, invents, or creates a loss covered by the insurance policy, while the latter occurs when a claimant exaggerates a legitimate claim or gives false information to obtain bigger gains. Making fraudulent claims is a crime, no matter what the outcome may be. Because they make up a significant portion of the total claims filed, losses for insurers are estimated to be in the billions every year. (https://www.insuranceopedia.com/definition/2043/fraudulent-claim)

2.6 Related researches of fraudulent claims on Motor Insurance

For Insurance industry overall, the issues that the many researchers have been studying are related to the factors that affect consumer making decision to buy insurance, customer satisfaction of claim services or service quality. The matters of fraud in the claims of related parties those involved are found less.

The issues regarding to the fraudulent claims of the insurance policies have been proved on many evidences. They are under the statistical data collection by both international and domestic related Insurance organization who has distinctly attempted to solve this problem.

The researcher have explored the key literatures and related literatures concerning to fraudulent Insurance claims, especially motor insurance claims, with both domestic research and international research and also business related concept and theory from some researches, book and journal.

1. Moral Hazard in Insurance Claiming: evidence from Automobile Insurance by J. David Cummins and Sharon Tennyson, Preview of

- journal of Risk and Uncertainty, January 1996, Volume 12, Issue I, PP29-50
- 2. ABI research brief by Association of British Insurers, United Kingdom in 2009
- 3. The preview of Thailand-Car Theft and Insurance; December 2011 by SBD Secure Car Research in United Kingdom
- 4. News on 30 May 2014 published on website of Kwikfit Insurance in United of Kingdom (http://www.kwik-fitinsurance.co.uk/) in the topic of "Revealed: ABI research shows fraudulent insurance claims on the rise"
- 5. The survey of Automobile Insurance Patterns, 2001 by Pol. Col. Paitoon Permsirivisarn, Thailand
- 6. Non-Life Insurance (Property and Liability Insurance) Defraud: A case study on Automobile Insurance Defraud by the Insured, 2005 by Mr. Apisak Kamdee, Thailand
- 7. Fraud in Non-Life Insurance Business, 2007 by Mr. Apichart Kosaisook, Thailand
- 8. Economic Crime: Case study on the Automobile Insurance Defraud, 2008 by Mr. Krerkchai Chantachit, Thailand
- 9. Online news published on 27 September 2010 on www.insure.co.th regarding Insurance Fraud Investigation set up by Office of Insurance Commission (OIC), Thailand
- 10. The role of using Data Analytics to detect fraud in insurance, The Insurance Journal, April-June 2015 by Chuleekorn Taesophapong, Thai General Insurance Association, Thailand
- 11. Fraudulent Claims in Insurance Business by Law Department of Office of Insurance Commission (OIC), Thailand

The researcher have done the literature review process with the related researches and summarized the concepts as follows:

Pol. Col. Paitoon Permsirivisarn (2001) had studied the pattern of fraudulent claims by 4 groups of insurance company employees, the Insured or the beneficiaries, hospital personnel and police officers. His study reveals that there are totaling 70 patterns made by the mentioned 4 groups. It also suggests that the improvement of this problem should be on each group and on general matters.

His study is therefore the first study to delve deeper into the pattern and behavior of the insured to make fraudulent claims. His study is useful to the other researchers and also motor claim officers and their executives in Insurance companies and related insurance service sectors.

Mr. Apisak Kamdee (2005) had studied the differing types of the motor insurance, defraud methods of the Insured as well as the obstacles in the law enforcement in implementing the Criminal Code, section 347 concerning the non-life insurance defraud penalty.

His study revealed that the fault according to the Criminal Code, section 347 cannot be considered unlawful as the provision of the section 347 is applicable only with the main non-life insurance which the Motor Insurance type 1. When the fault concerning the motor insurance, the Court therefore rings the provision of section 341 into enforcement, which do not conform to the purposes of the Motor Insurance.

Mr. Apichart Kosaisook (2007) had studied the problems of fraud in non-life insurance business of Thailand in order to find out the problem in enforcing the law by comparing with concept and measures of others countries as guideline. And also find out how specific provision covering non-life insurance fraud can create efficiency in enforcing the law and how it benefits.

His study has found that Thailand should have specific provision to be enforced for non-life insurance fraud, which covers enforcement for three types of fraud by combining in one law so that enforcement of law concerning this matter shall be more efficient.

Mr. Krerkchai Chantachit (2008) had studied the meaning and concept on economic crime. It was found that many kinds of automobile insurance defraud that are considered the economic crime such as the actions in work administration, especially by the authority or those who hold high rank position.

Association of British Insurers (2009) had studied on General Insurance Claim Fraud and it reveals that the insurance industry is detecting more of the fraud that is being attempted. This has been suggested to improved data sharing through the Insurance Fraud bureau and a more focused approach to detecting fraud across insurers have contributed to this improvement.

"Insurers commonly highlight that sharing information is important in the flight against fraud-particularly orgaised fraud. Insurers already share data on some personal lines via the Insurance Fraud Bureau (IFB), which has had significant success in tackling organized motor insurance fraud. The industry expects similar increases in detection as this model is replicated across other product lines." (The ABI research brief, July 2009).

SBD (2011) had studied and analysed the status of Car Theft and Insurance in Thailand and suggested that the Thai insurance industry has been experiencing rising costs which are being driven up by the size and the quantity of claims relating to accident repair. The result shows that Fraudulent Insurance Claims - Actual vehicle theft only accounts for 3% of insurance claims in Thailand- is a number of factors that attributed to the rise of insurance costs. A high amount of fraudulent insurance claims appears to be another cause of the cost increase.

Chuleekorn Taesophapong (2015) has written the article of the role of using Data Analytics to detect fraud in insurance. There are many technics that used to do analytic to detect Insurance fraud. She states that 5 methods are popular to use; Investigation on Business Rules, Anomaly Detection, Predictive Modeling or Advanced Analytics, Social network Analysis and Text mining.

Based on the above concepts by the mentioned Thai Researcher, the researcher found that the Criminal Code, especially section 347 is focused with Insurance fraud.

Insurance policy is written based on the legal wording and quite difficult for the general person to understand quickly. After reviewing all concepts, the researcher would like to study and know the patterns of behaviour of the Insured to make Insurance fraud that the result will make quickly detect fraudulent claims for claim payment consideration. The researcher therefore study policy terms and exclusions as it is the key part when consider the claims.

This study will not be duplicate with the research of The survey of Automobile Insurance Patterns by Pol. Col. Paitoon Permsirivisarn, as it will be focus on one group who is The Insured and on online sale channel which continues to grow up in Thailand and there still have no any research of Insurance fraud on online sale policy in Thailand.

Fraudulent claims by the Insured on online sale channel of Motor Insurance Policy that avoid the policy term & conditions and policy exclusions will be therefore concentrated in this study and this topic is reviewed by the all above related literatures.

This study is aimed to explore the patterns of fraudulent insurance claim by the Insured of both Compulsory and Voluntary Motor Insurance avoiding policy terms and exclusions by the perception of members of claim staff in one Claim Management Outsourcing Company for online sale channel to gain better understanding and considering fairly of compensation to the Insured or related parties. The issue that is studying had been researched by submitting the questionnaire to respondents.



CHAPTER III METHODOLOGY

This research has applied the qualitative research methodology to look for the fraudulent claims by the Insured on online sale channel of Motor Insurance Policy as perceived by members of claim staff in one Claim Management Outsourcing company for online sale channel to Insurance Company. The process of this methodology is as follows:

- 3.1 Acquisition of data and information
- 3.2 The role of the researcher
- 3.3 Selection of participants
- 3.4 Research instrument
- 3.5 Data Collection
- 3.6 Data Analysis Procedure

3.1. Acquisition of data and information

After consideration of the review of the related literature, the conceptual map is framed. The significant of the structure of the study protocol is therefore determined. Project: Fraudulent claims by the Insured on online sale channel of Motor Insurance Policy perceived by members of claim staff in one claim management outsourcing company for online sale channel to Insurance Company.

There are 41 questions and divided into 6 parts.

Part 1 is about the general information of the interviewee for 4 questions.

Part 2 is about the attitude and understanding of the fraud for 8 questions.

Part 3 is about the inspection of the accident scene for 6 questions.

Part 4 is about the characteristic or patterns of the frauds used to avoid the term of policy or the exception for 13 questions.

Part 5 is about the consideration of fraudulent claims for 8 questions.

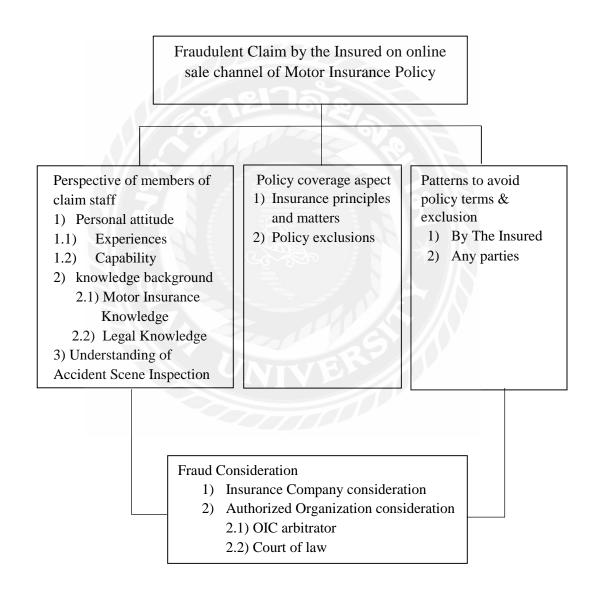
Part 6 is open-ended questions for 2 questions

Part 4 and 5 are the main questions in this study that will reveal the results which is an important of this study to understand the patterns that the Insured use to make fraudulent claims, subject to the original intention.

The name and information of the respondents will not be appeared in the paper.

The followings are conceptual map and protocol in this study.

Figure 1: Conceptual Map of Fraudulent claims by the Insured on online sale channel of Motor Insurance Policy perceived by members of claim staff in one claim management outsourcing company



Stud	y Protocol		
Date	and time:		
The 1	respondent:		
Posit	ion:		
	Part 1: General information		
1)	What is your current position in this company?		
2)	Recently, were you work for any Insurance organization?		
3)	Which province do you work in Thailand?		
4)	How long have you been working in Insurance organization? How many accidents have you inspected or seen?		
1)	Part 2: Knowledge Background Do you know and understand the voluntary insurance or not? And how? .		
2)	Do you know and understand the compulsory insurance or not and how?		
3)	Can you tell about the laws concerning car insurance or fraud? Please specify how you execute the laws.		
4)	How do you define the fraudulent claim for indemnity?		
5)	How do you indicate that the claimed accident is the fraudulent claim for indemnity?		
6)	Have you ever inspected or seen the fraudulent claims for indemnity by the insured or not?		
7)	When you do think that the fraudulent claim for indemnity by the insured is effective?		

What do you think is the important factor that the insured made the

fraudulent claim for indemnity?

8)

Part 3: Understanding of the accident scene inspection

- 1) From the designated accident cases, how do you decide that which one is the fresh claim or dry claim? How do you define these two types of claims?
- 2) While you are inspecting the fresh claim accident, can you describe the fraudulent claim for indemnity car insurance? And how?
- 3) While you are inspecting the fresh claim accident, can you describe that the surroundings or the accident scene, or if there is a third person who supports the fraudulent claim for indemnity?
- 4) While you are inspecting the fresh claim accident, can you describe the fraudulent claim for indemnity? And how?
- 5) While you are inspecting the dry claim accident, can you describe that the surroundings or the accident scene, or if there is a third person who supports the fraudulent claim for indemnity?
- 6) From your experience in inspecting accidents, which claim do you find that has the most fraudulent claim for indemnity? Fresh claim or dry claim?

Part 4: the pattern of the frauds used to avoid the term of policy or the exclusions

- 1) Have you ever inspected or seen the fraudulent claims for indemnity by the insured in order to conceal or defraud of days insured before buying a policy and after the termination of the policy? Can you describe the characteristic of fraud?
- 2) Have you ever inspected or seen the fraudulent claims for indemnity by the insured in order to conceal or defraud in order to misinform the detail of the insured car to make a car claim? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity from the insured by using the term of compensation for damage? (Not over than sum insured) or using the compensation (as cash, repair, replacement) advantageously? Can you describe the characteristic of fraud?

- 4) Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim by using the term of other conditions, such as the interest cause and the proximate cause? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim by avoiding the car usage, for example, the use of motor vehicle outside the territory covered or the use of motor vehicle for an illegal purpose (such as for plunder, robbery, or illegal drug trafficking), or for racing or other than described above? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the exclusion of driving by a person who has an alcohol content of not less than 150 milligram percent while driving? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the exclusion of driving by a person who has never obtained a license to drive any motor vehicle, or who has obtained it before but it is disqualified to drive by law, or uses a driving license for motor cycle to driver a motor vehicle? Can you describe the characteristic of fraud?
- 8) Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the damage and loss of the car resulted from theft by the authorised person, or due to the rent, instalment or pledge contracts, or by the person who signed the contract? Can you describe the characteristic of fraud?
- 9) Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the deductible in the case of the named plan policy when the damage caused by any driver not by the named driver? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured to avoid the deductible for 1,000 baht from the damage which did not happen from the car crash or without the third party? Can you describe the characteristic of fraud?

- Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the third party property damage? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the third party bodily injury or the compulsory insurance? Can you describe the characteristic of fraud?
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the land vehicle collision of type 5 (referred to 2+ or 3+)? Can you describe the characteristic of fraud?

Part 5: The consideration of fraudulent claims

- 1) From the case you have inspected that there are the fraudulent claims for indemnity, have you ever reported to the police? And from your experiences, did the police have done further investigation?
- 2) Have you ever reported the fraudulent claims for indemnity to the police with the insurance company? How many claims have you reported?
- From your reported fraudulent claim, have you ever known that the company can reject the responsibility? How much do your company have rejected?
- 4) In case of the company's rejection of the fraudulent claim and the insured wishes to dispute through arbitration, have you ever participated in the trial? If any, how many times have you attended?
- 5) From your inspection of the fraudulent claims by the insured, have you ever known that how many cases that were be disputed by the arbitration to indicate that the company is at fault or consider as a fraudulent claim?
- 6) From the accidents that you inspected and reported as fraudulent claims by the insured, have you ever known that how many trials have been sent to the court?
- 7) Have you ever known that how many trials have been judged from your inspection of the fraudulent claim by the insured?

8) From your inspection of the fraudulent claims, have you ever known about the decision of the court in case of the court disagreed with?

Part 6: Open-ended questions

- 1) Do you have any suggestion about how to prevent the insured to make a fraudulent claim? And how?
- 2) Do you have any suggestions for the researcher or to cover the knowledge of the study further?

Credibility of instrument

- 1. The researcher look for the information from the related research as the first step and then study the wording of policy terms & conditions, especially policy exclusions, of motor insurance policy in order to set the questions concerning the frauds on online sale channel of Motor Insurance.
- 2. The researcher made the draft of study protocol to response the purpose of study.
- 3. The draft was sent to the research adviser for instructions and then improved it.
- 4. To check credibility of the instrument, the researcher submitted to the claim specialist to answer the questionnaire for the testing and feedback.
- 5. The researcher reviewed and improved questionnaire according to the suggestion from the specialist.
- 6. The researcher dispatched the questionnaire to the population sample to collect information.

3.2 The role of the Researcher

The researcher will use the questionnaire and documentary study to derive the most valid and reliable data. The previous studies and the written and published articles concerning to the topic for documentary study.

The next role of the researcher is to select the participants in scope for submitting the questionnaire and follow up the answers. The researcher must ask their permission to participate in this study and explain the topic.

To collect data will be done after receiving the returned questionnaires.

The main role is to do data analysis following the qualitative process. Everything in returned questionnaire are important and must be described, classified and analyzed.

3.3 Research instrument

The researcher uses the questionnaire as the tool for data collection in this study. It contains sets of questions on a topic designed to be answered by the respondents who are the population sample in the study. Type of questionnaire in this study is an unstructured questionnaire with term as open end form call for the free answers on their own words.

This study is qualitative method which composes of the following instruments.

- 1. The researcher is a key instrument who spends time to do data analysis procedure.
- 2. The researcher focused on the policy terms and exclusions of Motor Insurance Policy, books, articles from Insurance journals and websites related to the topic for documentary study. Related previous researches support to create the conceptual framework.

3.4 Selection of participants

The participants are 11 of claim staff members in Claim Management Outsourcing Company for online sale channel insurance company. They are in position of Assistant Claim Manager, Senior Claim Executive, Claim Executive, Assessors and Motor Surveyors who work for this company for a year up and all of them are knowledgeable and informative with at least three years experiences in Insurance organization, especially in claim field.

Their name and information will not be appeared in the paper but the researcher has summarized their position and years of experiences in the below table:

Table 4 : Summary of participants

No.	Name	Current Position	Years in
			current company
1	A	Assessor	>2
2	В	Senior Claim Executive	>2
3	С	Motor Surveyor	>2
4	D	Assistant Claim Manager	>1
5	Е	Senior Claim Executive	>2
6	F	Assessor	>1
7	G	Claim Executive	>1
8	Н	Senior Claim Executive	>2
9	I	Claim Executive	>1
10	J	Senior Motor surveyor	>1
11	K	Assistant Claim Manager	>1

3.5 Data Collection

The process of data collection by collecting data from the respondents, summarized in the following.

- 1. After the researcher created and completed the questionnaire. The questionnaire will be distributed to 11 members of claim staff for their self-response.
- 2. When the questionnaires were returned. The researcher reviewed the response and collect data for further analysis.

3.6 Data Analysis Procedure

To do the analysis of qualitative data, the researcher has to summarize the responses from the questionnaires. The first thing to do is to translate from Thai language responses to English language. After the researcher collected the data from the answers, it is time to begin by manipulating data in a number of different ways, such as plotting it out and finding correlations or by creating a pivot table in Excel for coding result and data extraction. A pivot table lets the researcher sort and filter data by different variables.

As data manipulating, the researcher find to have the exact data to need, this helps the researcher to focus the data analysis on better answering the questions. During this step, data analysis tools and software are not used as there are just a small number of respondents. However, this will not affect the interpretation.

After analyzing data, it's finally time to interpret results. At the time of interpretation the results of data, the researcher would like the results response to these questions:

Does the data answer the original question? How? Does the data help to defend against any objections? How? Are there any limitation on conclusions?

It appears that the interpretation of the data holds up under all of these questions and considerations, then the researcher come to a productive conclusion.



CHAPTER IV RESULTS

The researcher submitted the questionnaire with deep question focusing on the policy term and exclusions to members of claim staff in one outsourcing company who manage motor claims for online sale channel to Insurance Company. After transcribing, coding, extraction and grouping, counting to the number of data and mind mapping, the chapter will display the data as follows:

- 4.1 The patterns of the fraudulent claims used to avoid policy terms & exclusions
 - 4.2 The consideration of fraudulent claims
 - 4.3 Conclusion drawing

4.1 The patterns of the fraudulent claims used to avoid policy terms & exclusions

The respondents express that there are many patterns of frauds that the Insured used to avoid policy terms & exclusions. In first instance, the study revealed that fraudulent claims by the Insured have the following 27 patterns:

- 1) Avoiding insurance period by reporting the wrong date of incident
- 2) Avoiding insurance period by reporting the wrong time of incident
- 3) Avoiding insurance period by waiting policy inception to report old damage
- 4) Avoiding misinformation by covering wrong chassis/body no.
- 5) Using the compensation advantageously by claiming on higher specification.
- 6) Avoiding the prohibited car usage by reporting another accident covering accident during car racing
- 7) Avoiding the prohibited car usage by reporting another accident covering accident during drugs trafficking
- 8) Avoiding the prohibited car usage by reporting another accident covering accident during illegal immigration
- 9) Avoiding alcohol over 150 by avoiding to do alcohol test
- 10) Avoiding alcohol over 150 by changing incident driver
- 11) Avoiding alcohol over 150 by asking wrong support by police officer
- 12) Avoiding no license/disqualified/other license by changing incident driver

- 13) Avoiding no license/disqualified/other license by making wrong statement from others
- 14) Avoiding no license/disqualified/other license by using fake international driver license
- 15) Avoiding theft by the authorised person by reporting car was stolen by others
- 16) Avoiding issue of car rental by reporting car was stolen by staff
- 17) Avoiding theft by the authorised person by reporting the wrong location of incident as car was pawned due to gamble
- 18) Avoiding deductible by changing incident driver
- 19) Avoiding deductible by having false witness
- 20) Avoiding deductible by reporting to hit a pole instead of real object
- 21) Avoiding deductible by reporting to hit another car but no claim from third party
- 22) Avoiding deductible by changing the circumstances but the damage not conform
- 23) Concerning Third Party Property Damage by setting the scene
- 24) Concerning Third Party Bodily Injury by making fake bills
- 25) Concerning land vehicle collision by accepting to be Third Party for other car.
- 26) Concerning land vehicle collision by finding someone or fake party's car to become a Third Party.
- 27) Concerning land vehicle collision by reporting wrong third party's vehicle no.

The answers are summarized to each question as below:

1. Have you ever inspected or seen the fraudulent claims for indemnity by the insured in order to conceal or defraud of days insured before buying a policy and after the termination of the policy? Can you describe the characteristic of fraud?

Staff A said: Sure. Most of the expired policy would cheated by calling for making a claim to the company even it's run out of time. For example, there're some insured pretend that they have a car crash on 20th last month that still in time of insurance coverage but, truly, it was happened on the first day of this month that their policy has already expired since last month. So, in case like this, we have to do an investigation, asking for witness, CCTV or any evidence to confirm that it is true. If not, we wouldn't pay for any coverage or indemnity.

Staff B said: Yes, I have. The car has damaged before the car owner made a policy, or the insured car and the claimed car are not the same.

Staff C said: Yes I have, there is a case happened before applying the insurance.

Staff D said: As for before-the-insured-period case, a car claimed for crashing a sideway barrier. The damage was seen, but we inspected from TRD afterwards, finding that this car had had a Type 3 insurance before a comprehensive type with our company. We then inquired the former insurance company about the accident date and asked for the accident photos, which matched the accident that the customer claimed with the company he/she had a type 1 insurance with. We denied the claim as the accident had happened before the insurance. An example for after-the-insured-period case is reporting an accident at 16.35 but the Car Policy expired at 16.30. We inspected the scene of accident and asked from the third Party, who confirmed the accident at 16.35 which is the time after the insurance expired. We denied the claim according to the conditions.

Staff E said: Yes. Accident had happened before purchasing online insurance and then claimed for the old damage. For this case, it's quite easy to detect it.

Another case, the parties collaborate each other. After the accidents, they wait for 4-5 days and then claim for the damage. They also report the case at police station before claim and then call claim staff to issue claim documents for them.

Staff F said: Damage prior to the purchased insurance

Staff G said: I have never experienced it.

Staff H said: Representation before accepting insurance to give most benefits to the insured. The car has not been checked before so the previous damage is used for claim with the insurer.

Staff I said: Does not provide details of previous policy/forget

Staff J said: Damage happened before buying insurance or never bought insurance.

Staff K said: Mostly, they bring the old damage for claim.

Coding Result

Avoiding insurance period – by reporting the wrong date of incident Avoiding insurance period – by reporting the wrong time of incident

Avoiding insurance period – by waiting policy inception to report old damage

2. Have you ever inspected or seen the fraudulent claims for indemnity by the insured in order to conceal or defraud in order to misinform the detail of the insured car to make a car claim? Can you describe the characteristic of fraud?

Staff A said: I've seen some of them. I had to check license whether it was correct or not. For this case, the license was correct but, after checking the body of vehicle, we found that the chassis number was not match to the insured car.

Staff B said:

Staff C said: No, I have not.

Staff D said: I haven't experienced that myself but my senior did. There wasn't an actual accident between the two cars, but reporting an accident between an insured car, which is slightly damaged, and the third Party car, which is highly damaged, in a deserted area. My senior who went to survey the scene of accident denied the claim.

Staff E said: Fraudulent claims, A and B are friends. A purchases 3+ insurance. He backs up his car and bumps into a wall. Since 3+ insurance does not cover this kind of incident so he contacts B who have a car without insurance and there is a damage on the front bumper. Then, A reports that he bumps into another car and ask the surveyor to issue evidence for them. They do not really bump into another but they make a fraud case for liability from the insurer.

Staff F said: For example, fall to sideway

Staff G said: Report details of car with damage before insurance purchased. The customer may say that he had first class insurance with another company to avoid inspection. Afterwards, he claimed for damage.

Staff H said: Some customers bring the old damage for claim and report that it happened after purchasing insurance. The driver or insured conceal the truth for the sake of compensation.

Staff I said:

Staff J said: Yes. They typically set a scene and make the insured car as wrong side to take responsibility to the damages.

Staff K said:

Coding Result

Avoiding misinformation-by covering wrong chassis/body no.

3. Have you ever inspected or seen the fraudulent claims for indemnity from the insured by using the term of compensation for damage? (Not over than sum insured) or using the compensation (as cash, repair, replacement) advantageously? Can you describe the characteristic of fraud?

Staff A said: Normally, most of the accessories, they use the non standard one instead of the standard one like car skirt but when there's accident, they try to switch to the standard one which the price is so different.

Staff B said: No. I have not.

Staff C said: We don't actually call it Fraud. Most of the time, the insured car exceeds the age of indemnity by things. The Insurance Company usually compensate as per condition, by goods made in China or Taiwan. But customers are likely to negotiate for genuine products, saying they have been customers for many years to get what they want. The Insurance Company will consider the cost and sometimes give the customers genuine goods they want.

Staff D said: Never

Staff E said: Accident happened but the driver refused to test for alcohol level. This caused the insurer disadvantage. Report a claim late for days.

Staff F said: I have never experienced it.

Staff H said: The insured do not intend to cheat but they do not thoroughly understand the coverage. For example, the insured does not buy coverage for skirt as he does not know that it does not cover. So, the insured try its best to claim.

Staff I said: Never

Staff J said: Yes. Remove good parts and replace with deteriorated parts for the purpose of claiming compensation or change the parts.

Staff K said: For the obvious fraud, the compensation has not been paid.

Coding Result

Using the compensation advantageously – by claiming on higher specification.

4. Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim by using the term of other conditions, such as the interest cause and the proximate cause? Can you describe the characteristic of fraud?

Staff A said: Generally, most of the insured and the third party share benefits together. One has insurance but another has none, so when there's an accident, the one with insurance would ask for a claim to pay them indemnity.

Staff B said: No, I have never seen before.

Staff C said: No, I have not.

Staff D said: Never.

Staff E said: Not sure

Staff F said: I have never experienced it.

Staff G said:

Staff H said: Never

Staff I said: Never

Staff J said: Yes. A relative of the insured failed from a car without insurance. Then, they use the insured car to record the case with police and claim with the insurance company.

Staff K said: Never

Coding Result

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Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim by avoiding the car usage, for example, the use of motor vehicle outside the territory covered or the use of motor vehicle for an illegal purpose (such as for plunder, robbery, or illegal drug trafficking), or for racing or other than described

above? Can you describe the characteristic of fraud?

Staff A said: Normally, it use in illegal way for car racing and transport addictive drugs. We found car racing by using the CCTV. If the insured don't have

CCTV and the third party doesn't accept, it will become his advantage.

Staff B said: Yes, I have. The car was used to smuggle the oil and it had an

accident because of its illegal car adaptation.

Staff C said: No, I have not.

Staff D said: A truck driven to pick up immigrants from Cambodia border turned over and the truck is damaged. They didn't inform the company that the truck was used for carrying people illegally. Afterwards, the police investigated and found out that it was used for illegal purpose, but according to the conditions, we had to pay

the indemnity, and sued the driver later.

Staff E said: Never

Staff F said:

Staff G said: I have never experienced it.

Staff H said: There is a case that the party drove over lane and crashed into

the insured car. The party agreed to undertake compensation.

Staff I said: Never

Staff J said: 1.An accident happened in Lao which caused severe damage to

the insured car but the insured claimed that it happened in Thailand.

2. Use car for transporting undocumented alien workers and having accident. Report the case to the police. There are two copies of police record, original one and another

one for claim with insurance company.

Staff K said: Never

49

Coding Result

Avoiding the prohibited car usage – by reporting another accident covering accident during car racing

Avoiding the prohibited car usage – by reporting another accident covering accident during drugs trafficking

Avoiding the prohibited car usage – by reporting another accident covering accident during illegal immigration

6. Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the exclusion of driving by a person who has an alcohol content of not less than 150 milligram percent while driving? Can you describe the characteristic of fraud?

Staff A said: There's a test to measure alcohol level which shouldn't be over 150. However, an insurance company ask if they can keep the results if is over 150, but the police do not allow because the company may charge money from the insured or whatever.

Staff B said: Yes, I have. There was a substitution between drivers, an accomplice from the police, and the insured driver.

Staff C said: This case I haven't found yet.

Staff D said: Most of the time they will switch the driver. The drunk driver (with more than 150 mg% of alcohol), usually with no driver's license, will claim that their friend who has a license is a driver. After finding out who the real driver is, then we will check if the driver is drunk, which is common. Driver with more than 150 mg% of alcohol will be denied indemnity.

Staff E said: Answer: Yes, the insured changes driver by hiring a taxi driver to act as a driver and falsely claim that the driver is a passenger. The staff has to inquire the witness, where they are driving from and going to where and separately ask driver and passenger.

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Yes. Government officials or surveyors consider individual benefits and guide to fraud. For example, the insured car crashed into another car and

the driver had alcohol level more than 150 milligram percent. When the case was reported to the police, the government official or surveyor tried to avoid alcohol test so he brought another person to test

Staff I said: Never

Staff J said: Yes. Change driver, change alcohol test result from the exceed one to the lawful one. It depends on police to give bail out.

Staff K said: Never

Coding Result

Avoiding alcohol over 150 – by avoiding to do alcohol test Avoiding alcohol over 150 – by changing incident driver Avoiding alcohol over 150 – by asking wrong support by police officer

7. Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the exclusion of driving by a person who has never obtained a license to drive any motor vehicle, or who has obtained it before but it is disqualified to drive by law, or uses a driving license for motor cycle to driver a motor vehicle? Can you describe the characteristic of fraud?

Staff A said: Yes, I have met some cases. In general, people would be anxious and may be fuss around when they get in danger so, they would immediately report about the accident, they truly tell everything because they didn't realize that they may get in trouble for the reason of they have no driving license and the insurance wouldn't work because they actually told their name. After they calm down and get a grip, they just realized so; they pretend the one who has driving license as that one is a driver. For example, A was the one who drive a car and had car accident and because he was so panic-stricken that why he informed everything. So, during he waited for a help, he regains consciousness and call B to pretend as the one who was injured. When we arrived and the name was not match that why we can check that it is a fraud.

Staff B said: Yes, I have. The driver that was in the accident is not the same driver when making a car claim with the witness and bodily injury. These frauds can be inspected.

Staff C said: Yes I have, the case is driver was swapped before reporting the accident. When I arrived at the scene I heard other people about the truth which I kept as an evidence.

Staff D said: As I said, those who have never had driver's license, is disqualified, or have only a license for motorcycle normally claim that other person (with a driver's license) is responsible for the insured car. After a survey, if we find out that the actual driver has no driver's license, or has only a license for motorcycle, which is the exception in Car Policy, we will deny the claim.

Staff E said: Yes. Driver is changed or backdated claim. A driver squeeze over another car but he does not have driving license so call a friend of him to be driver and claim. They also ask the party to lie.

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Yes. Mostly, the driver or claim reporter think twice and then ask someone who had driver license to show. So, surveyor or claim report staff is an important person to check about this case.

Staff I said: Never

Staff J said: Use fake international driver license to avoid inspection from the insurance company.

Staff K said: Never

Coding Result

Avoiding no license/disqualified/other license – by changing incident driver Avoiding no license/disqualified/other license – by making wrong statement from others

Avoiding no license/disqualified/other license – by using fake international driver license

8. Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the damage and loss of the car resulted from theft by the authorised person, or due to the rent, instalment or pledge contracts, or by the person who signed the contract? Can you describe the characteristic of fraud?

Staff A said: There's a case of some kind of rental cars. There is somebody who rent a car and intends to escape. When the company calls, he blames that the company's staff is the one who drove away.

Staff B said: No, I have never seen.

Staff C said: No, I have never seen before.

Staff D said: Yes. An insured once drove to Cambodia to gamble. He/she lost a great sum of money so he pawned the car with the casino and returned to Thailand to claim for the loss of the insured car. Our Claim Surveyor, together with customs officer and immigration officer, investigated the case and found out that the car was driven to Cambodia but was no brought back. This was another form of Fraud, as the car was pawned, but the insured claimed for its loss. We denied the claim as per the conditions.

Staff E said: Yes. Someone claims that his key is stolen and then he reports a case with police but in fact he leaves his key somewhere.

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Yes. The insured car lost because the insured allowed another person to rent the car and breach the insurance contract. As a result, I rejected the case under the policy conditions.

Staff I said: Never

Staff J said: Yes. Most of the cars are pledged. Most cases, they created several characters but know only nickname and don't know address so we cannot further check.

Staff K said: Never

Coding Result

Avoiding theft by the authorised person – by reporting car was stolen by others

Avoiding issue of car rental – by reporting car was stolen by staff
Avoiding theft by the authorised person – by reporting the wrong location of incident

9. Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the deductible in the case of the named plan policy when the damage caused by any driver not by the named driver? Can you describe the characteristic of fraud?

Staff A said: We often meet this kind of case. It's similar to the case of driving license. When they reported the case, they only said about Mr.A and Mr.B, but actually Mr.C was the driver. When we arrived at the scene, Mr.C sudden told us that he's not the driver but it was Mr.B. So we had to investigate more about the witness, and the scene of accident.

Staff B said: Yes, I have. In this case, the named driver must to take the responsibility.

Staff C said: No, I have not.

Staff D said: For example, the Car Policy states that A and B are the insured drivers, but C drives the car. C would tell A to prep that A is the driver at the moment of accident. After rechecking with the third Party, and it turns out that the actual driver is C, who is not insured in the Car Policy, we ask for an asset fee of 6,000 baht, in case the actual driver isn't the insured. 2,000 baht, 8,000 baht for the third party. We cannot deny the claim but there is fee under the conditions.

Staff E said: Yes. Policy with name of A but B drives A's car while car crash happening. When surveyor visits the scene and B learns that he has to pay a sum. He changes his word and says that A drives the car but he has something to do so B calls for claim on behalf of him.

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Excess is undertaken by the driver. If the driver did not bring the car for claim. The excess may be undertaken by one who bring the car for claim or liable to the insurer.

Staff I said: Never

Staff J said: Change driver, record false witness or secretly agree with the party, among others.

Staff K said: Never

Coding Result

Avoiding deductible – by changing incident driver

Avoiding deductible – by having false witness

10. Have you ever inspected or seen the fraudulent claims for indemnity by the insured to avoid the deductible for 1,000 baht from the damage which did not happen from the car crash or without the third party? Can you describe the characteristic

of fraud?

Staff A said: This case is like the insured car was hit by rubbles but we have been informed that the car was hit by the pole, or has little scratch, or they had a car

crash but don't have the party. This happen because they want to avoid the excess.

Staff B said: Yes, I have. The most cases are that the insured made the damage to car as much as possible to avoid the deductible.

Staff C said: No, I have not.

Staff D said: It was reported that the insured car crashed a pole, but after

inspecting the damage of the car, green and yellow taxi's color is found. We would

consider deductible case by case.

Staff E said: Yes. Some customers find a car of his relatives or friends and then claim that he bumps into another car but the party does not claim for damages.

However, after comparison, damages are not relevant.

Staff F said: *Provide incomplete license number but does not report the case*

Staff G said: Yes. A customer reported for first claim. He said the glass was

broken without cause while it's parking. I notified the customer that it required 1,000 Baht for unknown cause. Afterwards, he claimed that the glass was broken by stones.

After inspection, it was obviously seen that he intended to avoid excess.

Staff H said: For excess avoidance, most of the insured will find someone to

make an accident scene or report a case which did not associate with the conditions.

However, the damage did not relevant to the detailed report.

Staff I said: Never

55

Staff J said: Yes. Many. Report wrong plate number of party or use another

car as party.

Staff K said: Yes. Claim with parties.

Coding Result

Avoiding deductible – by reporting to hit a pole instead of real object

Avoiding deductible – by reporting to hit another car but no claim from third

party

Avoiding deductible – by changing the circumstances but the damage not

conform

11. Have you ever inspected or seen the fraudulent claims for indemnity by

the insured concerning the third party property damage? Can you describe the

characteristic of fraud?

Staff A said: It's mostly about the fake accident. Like one case that the car

crashes at the back of the party's car. The party says he brings valuable things with him

but we don't exactly know if he actually carried some worthy stuff or not.

Staff B said: Yes, I have. The insured set up the accident scene for making a

car claim by using a damaged car.

Staff C said: No, I have not.

Staff D said: For example, the Compulsory insurance informed, long after the

incident, that a truck crashed with a motorcycle. Our claim surveyor spotted that the insured car and the third party's damage didn't match, and the motorcycle driver is not badly injured. The insured insisted the accident, so we survey for witnesses and found

out that the third party fell off by themselves. In this case, there was no actual accident,

so we denied paying the indemnity.

Staff E said:

Staff F said:

Staff G said: I have never experienced it.

56

Staff H said: Yes. The property of third party does not have insurance so they bring the insured car setting the scene and responsible for the party.

Staff I said: Never

Staff J said: Mostly, the government agencies call for too much damages, e.g. trees, electricity pole, but we have to pay.

Staff K said: Set a scene but there was no real car crash so I rejected it.

Coding Result

Concerning Third Party Property Damage – by setting the accident scene

12. Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the third party bodily injury or the compulsory insurance? Can you describe the characteristic of fraud?

Staff A said: There's a case like this, it's commonly to people that they may have accidents and someone got injured or dead. The police will contact with us about the accident. The police will check the CCTV and look for car's license; he checks the insurance company and calls us to tell that the car under our insurance coverage has car crash and reconcile relatives of the one who get injured and talk about compensation like thirty thousand or hundred thousand would be fine and share money to everyone.

Staff B said: Yes, I have. They used any insured car instead of their damaged car.

Staff C said: No, I have not.

Staff D said: As I just said, concerning injury, Compulsory insurance (which is for the third party or outsider). The same example as the question before.

Staff E said: Never

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Never

Staff I said: Never

Staff J said: Yes. Hospital staff and insurance staff coordinate to make fake bill for the injured.

Staff K said: Never

Coding Result

Concerning Third Party Bodily Injury – by making fake bills

13. Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the land vehicle collision of type 5 (referred to 2+ or 3+)? Can you describe the characteristic of fraud?

Staff A said: As far from my cases, the insured car was comprehensive type, but the party was type 2+. I look like they have a race after delivery. The type 2+insured car were fell into the pavement and get heavy damaged cost about 200000-300000 baht. Then our insured car which is comprehensive type, if the third party car which is type 2+deformed, they have to coverage. If our comprehensive type car hit or scratch the type 2+ car just a little bit we also need to take response. So they let our car scratch at the end of the party's car along to the right side. It's hard to decide if it's old or new mark because the alignment is match up but then I could catch up their fraud so we denied for the coverage.

Staff B said: Yes, I have. They set up the accident but later the inspection revealed that the crash was not from the car and they made a car claim by another car that was not involved in the accident as the car of the third party.

Staff C said: No. I have not.

Staff D said: As I experienced, the insured report a case of hit and run with the number of vehicle license. We found out later, by letting a police officer search for the third party car, that the third party didn't exist. So we denied the claim, as it is stated that the insured car must crash with another vehicle that has a vehicle license.

Staff E said: Fraudulent claims, A and B are friends. A purchases 3+ insurance. He backs up his car and bumps into a wall. Since 3+ insurance does not cover this kind of incident so he contacts B who have a car without insurance and there is a damage on the front bumper. Then, A reports that he bumps into another car and

ask the surveyor to issue evidence for them. They do not really bump into another but they make a fraud case for liability from the insurer.

Staff F said:

Staff G said: Yes. A customer purchase 2+ insurance. First, he claim for bumping into barrier, the company rejected. Later (about 2 weeks), he call for an accident with a party but inspection result confirmed that it was the old one.

Staff H said: Normally, it squeezed to pole, footpath or crashed by another car and then find someone to set a scene.

Staff I said: Find parties or prepare both parties that the damage caused by negligence of the insured.

Staff J said: Yes. Several cases. Find fake party and then claim with the insurance company.

Staff K said: Yes. Find a car to become a party.

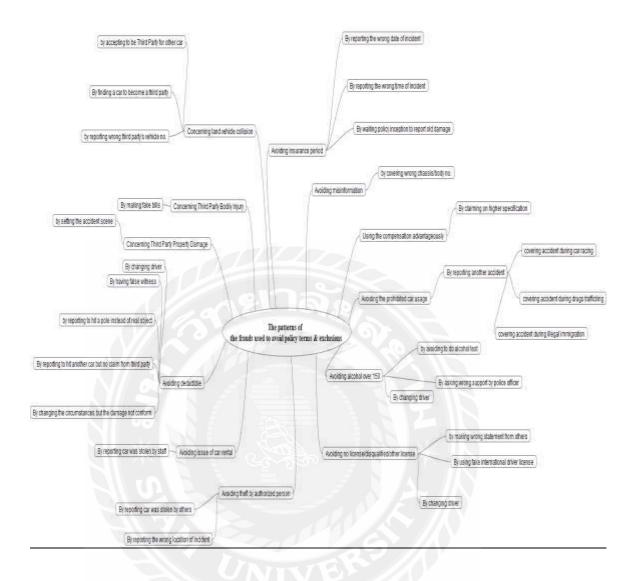
Coding Result

Concerning land vehicle collision – by accepting to be Third party for other car.

Concerning land vehicle collision – by finding someone or fake party's car to become a Third Party

Concerning land vehicle collision - by reporting wrong third party's vehicle no. (unidentified car)

Figure 2 : Mind map of patterns of fraudulent claims used to avoid policy terms & exclusions



4.2 The consideration of fraudulent claims

The questions in this topic, subject to the researcher's intention, the researcher wants to know who will consider whether the claim is fraudulent with their further steps and want to collect the data for statistics of fraudulent claims generated by the sale of online policy, but it turns out that some of the respondents cannot give any information in statistic or some answered from the experience, outside the scope. To make coding result impossible because the information is not in the same direction. The respondents express that they will consider the following if they doubt that the received claim in hand will be fraudulent.

- ➤ Consider fraud Report to Police for further investigation
- Consider fraud Report to Police but Police ignore the case
- > Consider fraud Not report to police Insurance company deny claim

The answers are summarized to each question as below:

1. From the case you have inspected that there are the fraudulent claims for indemnity, have you ever reported to the police? And from your experiences, did the police have done further investigation?

Staff A said: It depends to the situation. If we found that the car is much damaged or if it really looks like a fraudulent case then we have to do the daily report at the police station to be evidences. Because there's a law about intentionally false report which is regarded as criminal case and cannot be compromised. After finished daily report, the police will send both of the cars for inspection to find that what the real reason of this accident is.

Staff B said: *In some cases, sometimes they did and sometimes they ignored the cases.*

Staff C said: No, I have not.

Staff D said: Normally the case ends when we deny paying indemnity to customers. We don't report to the police because the case will be interpreted. Insurance Companies are not likely to do so.

Staff E said: I do not report the case as it's not help. Police officers have never inspected any. They force us to undertake responsibility or otherwise fine and then ask customer to contact with the insurer directly.

Staff F said: Further inspect and inquire witness in the scene.

Staff G said: I have never experienced it.

Staff H said: They mostly did not report the case to police. If the insured accept, claim and policy are revoked. For serious case that the customer absolutely denied, the company must report the case and sue him.

Staff I said:

Staff J said: Yes. The car was damaged severely and the driver was changed. Ask me to inquire the new driver and I denied doing so.

Staff K said: Normally, the inquiry official only recorded as evidence but did not accepted it as a case.

Coding result

Consider fraud - Report to Police - for further investigation

Consider fraud - Report to Police - but Police ignore the case

Consider fraud - Not report to police - Insurance Company deny claim

2. Have you ever reported the fraudulent claims for indemnity to the police with the insurance company? How many claims have you reported?

Staff A said: There're 100 cases which I was inspected, and about 5 cases which are the frauds.

Staff B said: Yes, I have reported so many claims approximately 100 claims.

Staff C said: Yes, I have. I have reported about two cases.

Staff D said: Less than 10.

Staff E said: Not more than 100 cases.

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Yes. There are several kinds of fraud including lost car because it was rent by another person, damage happened before purchasing insurance, the insured sold car but the second hand car dealer claimed, set a scene for repairing the insured car or the party, etc. In 2016, I inspected and rejected 12 claims.

Staff I said: Never

Staff J said: Yes. Hundreds

Staff K said: Yes. After inspection and found it was not right, I rejected it.

Coding Result

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3. From your reported fraudulent claim, have you ever known that the company can reject the responsibility? How much do your company have rejected?

Staff A said: Yes, actually we can refuse not to respond. If there're 100 cases, we can deny ten cases out of them.

Staff B said: About 50-60 % of claims.

Staff C said: Yes. The company can reject the responsibility in the first place.

Staff D said: I can't specify. But for 100 claims of the insurance company, only 5% is fraudulent, which are highly damaged cases. The amount of money is more than the number of claims.

Staff E said: Never

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Yes, the rejected claims cost about 1 million Baht.

Staff I said: Never

Staff J said: Not more than 10%

Staff K said: Yes. The annual sum was about 1 million baht.

Coding Result

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4. In case of the company's rejection of the fraudulent claim and the insured wishes to dispute through arbitration, have you ever participated in the trial? If any, how many times have you attended?

Staff A said: *I have never attended*.

Staff B said: I have attended 4 times.

Staff C said: No, I have not.

Staff D said: Never.

Staff E said: Never

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Never. I only join with the Office of Insurance Company.

Staff I said: Never

Staff J said: Never, it's duty of authorities.

Staff K said: Never

Coding result

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5. From your inspection of the fraudulent claims by the insured, have you ever known that how many cases that were be disputed by the arbitration to indicate that the company is at fault or consider as a fraudulent claim?

Staff A said: No.

Staff B said: The companies have won 3 times. The arbitration appointed the insurance companies to pay.

Staff C said: I'm not sure.

Staff D said: Normally, after customer appeal, the compromise will occur at OIC. Most of the time, we just show the OIC the evidences we get from an investigation. Most cases are ended at OIC before reaching the Arbitration.

Staff E said: Don't know

Staff F said:

Staff G said: I have never experienced it.

Staff H said: I have ever heard that there are some cases with inadequate evidences.

Staff I said: Never

Staff J said: I don't have information about this.

Staff K said: Never

Coding Result

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6. From the accidents that you inspected and reported as fraudulent claims by the insured, have you ever known that how many trials have been sent to the court?

Staff A said: As I know, it's because I have never attended to any fraudulent cases of lawyers, just only the case about cars. As the answer from my friend who works in the department of corruption shows that, from 100 cases that we caught up as fraudulent claim. Less than 5 claims get in court, the other has been cancelled in the arbitration

Staff B said: I'm not sure.

Staff C said: Insurance Company rarely sues customers.

Staff D said: Don't know

Staff E said:

Staff F said:

Staff G said: I have never experienced it.

Staff H said: I don't have information about this.

Staff I said: Never

Staff J said: I don't know the exact number when I worked for other companies. While working for Direct Asia, I still don't experience the case.

Staff K said: Never

Coding result

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7. Have you ever known that how many trials have been judged from your inspection of the fraudulent claim by the insured?

Staff A said: No.

Staff B said: No.

Staff C said: I'm not sure.

Staff D said: No, but my colleague have ever known that.

Staff E said: Don't know

Staff F said:

Staff G said: I have never experienced it.

Staff H said: Some insured acknowledged fraudulent insurance but I don't know the exact numbers.

Staff I said: Don't know

Staff J said: I don't have information about this.

Staff K said: None

Coding Result

8. From your inspection of the fraudulent claims, have you ever known about the decision of the court in case of the court disagreed with?

Staff A said: No.

Staff B said: I have ever been the court witness, but I did not know the process.

Staff C said: I'm not sure.

Staff D said: The court would investigate from the evidences. If the evidences from insurance company are insufficient, the decision would often be that insurance company loses the case.

Staff E said: Don't know

Staff F said:

Staff G said: I have never experienced it.

Staff H said: I don't have information about this.

Staff I said: Don't know

Staff J said: Order for investigation.

Staff K said: None

Coding result

Figure 3: Mind map of The consideration of fraud claims



4.3 Conclusion Drawing

The researcher careful studied of each aspect of fraudulent claims by the Insured on online sale channel of Motor Insurance Policy as perceived by members of claim staff in one Claim Management Outsourcing company for online sale channel to Insurance Company.

The researcher found that one pattern, changing driver, is the pattern that the Insured frequently use to avoid some exclusions of alcohol over 150 milligram percent, having no license/disqualified or other license and deductible as well.

Therefore the patterns are concise from 27 to 21, subject to 4 groups of actions related to insurance period, insured car, circumstances and person.

The relationship of the finding can be more easily viewed as the following drawing which summarized the result of this study.

Figure 4 : Conclusion Drawing

	Fraudulent claims by the Insured			
	on online sale channel of Motor Insurance Policy			
	Perspective of members of claim staff			
	in one claim management outsourcing company			
]	nowledge Background of Principles of Insurance	ee		
Mo	Motor Insurance and related laws and Policy coverage aspect			
	Fraud patterns			
	to avoid policy terms and exclusions			
	A. Actions related to insurance period			
	1) by reporting the wrong date of incident			
	2) by reporting the wrong time of incident			
	3) by waiting policy inception start to report old damage			
	B. Actions related to the insured car			
	4) by covering wrong chassis/body no.			
	5) by claiming on higher specification.			
>				
AN	C. Action related to change circumstances	Po		
MP.	6) by reporting another circumstance to cover the prohibited car usage			
ō	7) by reporting car was stolen by others/staff			
\mathcal{O}	8) by reporting the wrong location of incident			
H H	9) by reporting to hit a pole instead of real object			
Ž	10) by reporting to hit another car but no claim from third party			
RA	11) by changing the circumstances but the damage not conform	H		
5	12) by setting the accident scene	POLICE OFFICERS		
INSURANCE COMPANY	13) by reporting wrong third party's vehicle no. (unidentified car)			
	D. Action related to person (The Insured and other parties)			
	14) by avoiding to do alcohol test			
	15) by changing incident driver			
	16) by asking wrong support by police officer			
	17) by making wrong statement from others			
	18) by using fake international driver license			
	19) by making fake bills			
	20) by accepted to be Third Party for other car			
	21) by finding someone or fake party's car to become a third party.			
	Consideration of Fraudulent claims			
	Deny claim Further investigation Ignore the case	e		

The drawing summarized the result of this study. At the top, the members of claim staff in one claim management outsourcing company must be consist of knowledge background and policy coverage aspect so that can perceive the patterns that the Insured use to avoid policy terms and exclusion for online sale channel of motor insurance policy. These matters will support to understand the fraud patterns. At the middle, there are two pillars of Insurance Company and Police Officer who are the key players to consider fraudulent claims. At the base, the actions after consideration can be act as deny claim by Insurance Company, further investigation and ignore case by police officer.



CHAPTER V CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The finding about Fraudulent claims by the Insured on online sale channel of Motor Insurance Policy as perceived by members of claim staff in claim management outsourcing company for online sale channel to Insurance company will be summarized, discussed and concluded in this chapter. As this research is aimed at finding out the bahavior or pattern of The Thai Insured to make fraudulent motor claim on online channel policy. The following research questions should to answer:

- 1. What are the patterns that Thai Insured use to make fraudulent motor claim on online sale channel to avoid policy terms and exclusion?
 - 2. Who consider fraudulent motor claim?
 - 3. What is the further action after Insurance fraud discovered?
 - 4. How many of fraudulent motor claims in statistic?

This qualitative research aimed to elaborate the experiences of the claim staff about the fraudulent motor claims. 11 well experienced respondents from one claim management outsourcing company in Bangkok were carefully chosen to answer the deep questionnaire using the structured protocol. Responses were coded, grouped, analysed and interpreted using qualitative approach.

5.2 Conclusion

The participants in this research are from one outsourcing company who provides claim management for online sale channel of motor insurance policy to one Insurance Company. 11 members from every sections of Motor Claim Department are selected; claim handlers, assessors, motor surveyors. The group of participants is small but cover main functions of motor claim department.

The research can answer the above questions, except question 4.

The research reveals that there are many patterns that the Insured use to make fraudulent claims of online sale motor policy to avoid policy terms and exclusion which is shown in previous chapter 4 – The Results. However, the researcher grouped 21 patterns to 4 groups for more understanding as follows:

- A. Actions related to insurance period
- 1) by reporting the wrong date of incident
- 2) by reporting the wrong time of incident
- 3) by waiting policy inception start to report old damage
- B. Actions related to the insured car
- 4) by covering wrong chassis/body no.
- 5) by claiming on higher specification.
- C. Action related to change circumstances
- 6) by reporting another circumstance to cover the prohibited car usage
- 7) by reporting car was stolen by others/staff
- 8) by reporting the wrong location of incident
- 9) by reporting to hit a pole instead of real object
- 10) by reporting to hit another car but no claim from third party
- 11) by changing the circumstances but the damage not conform
- 12) by setting the accident scene
- 13) by reporting wrong third party's vehicle no. (unidentified car)
- D. Action related to person (The Insured and other parties)
- 14) by avoiding to do alcohol test
- 15) by changing incident driver
- 16) by asking wrong support by police officer
- 17) by making wrong statement from others
- 18) by using fake international driver license
- 19) by making fake bills
- 20) by accepted to be Third Party for other car
- 21) by finding someone or fake party's car to become a third party.

The results show that there are many patterns that the Insured used to avoiding policy terms and exclusion to make their fraud. Therefore the Insured and other parties have their own opportunity to make fraudulent claims with easy patterns.

Normally, claim staff will consider the fraudulent claim, subject to the above patterns, as evidence provided. They can report the case to police for criminal case and ask investigation or they can deny claim directly to the Insured. Police Officer can reject the case by not to do any further investigation.

This research cannot give any statistic of fraudulent motor claims.

5.3 Discussion and Suggestion

The above patterns of fraud can cause financial loss to Insurance Company, if they cannot control loss and this will affect basically to the good customers due to increasing of the premium rate.

Patterns that the Insured use to avoid policy terms and exclusion to make fraudulent claims are quite simple and practical. Subject to the researcher's opinion, as the results of the actions related to person, the Insured and other parties, there might be two important factors causing them to do Insurance fraud, considered to involve:

- 1. Lack of Morality. People, who lack of an important moral which is the integrity that is consistent with the Insurance principle of utmost good faith, easily make a fraud.
- 2. The Insured's perceptions are wrong. They valued that fraud is a simple truth that is a common in daily life without Insurance knowledge.

Online sale might be the channel for the insured to making fraud easier due to the current situation of online sales which their competition is quite high and sometimes they ignore the steps to do car inspection before policy inception.

Most respondents of this research said that it is very difficult to prevent the fraudulent motor claims. However, they have suggested the below for the Insurance Companies and Police Officer:

- 1. Provide training to motor claim surveyor who inspect at the accident scene.
- 2. Sharing car record or customer information among Insurance Companies.
 - 3. Do inspection all cars before Insurance acceptance.
- 4. Law enforcement and the legal penalty to the person who make and support Insurance Fraud should be not ignored.

However, this study is useful for members of claim staff in Motor Claim Department to understanding the patterns of Insurance Fraud. The patterns can be used as a preliminary assumption to detect fraudulent claims.

5.4 Contribution

The researcher discovered that the pattern of changing incident driver is frequently use to avoid exclusions, such as driving of the Motor Vehicle by a person

who has a blood alcohol level of not less than 150 milligrams percent; or driving of the Motor Vehicle by any person who has not been granted a valid driver's license, or had been granted a valid driving license but was barred from using the driving license, or being granted a driver's license for motorbikes but uses such license for driving of the Motor Vehicle.

Furthermore, changing incident driver is a pattern that The Insured use to avoid policy terms related to deductibles of named driver motor insurance policy.

...First 2,000 Baht for the third party's property damage, if it is named-driver insurance, if such damage is the fault of the driver of the Motor Vehicle who is not the named driver...

...First 6,000 Baht for damage to the Motor Vehicle arising from collision or overturning in case it is named-driver insurance and the driver who was driving the Motor Vehicle at the time of the incident was not the named driver as specified in the Policy...

5.5 Recommendation for further research

Nowadays, in the age where the world is connected with the Internet and Thailand is developing itself into Thailand 4.0 era, online access is easy. It is evident from the growth of online trading in recent years and insurance is one of the products that is expected to continue to evolve in the future. Study of fraudulent claims of insurance through policies that are sale on the Internet is not less important as well. Here are some of the recommendations for future researchers:

- 1. The further research of behaviour of changing incident driver that was discovered in this study that can avoid many policy exclusions.
- 2. A larger population of respondents of members of claim staff who works for online channel sale of Motor Insurance Policy.
- 3. Research on Insurance fraud of another Insurance Policy on online channel sale.
- 4. Research on Insurance fraud of any specific parties, aside from the Insured.
 - 5. Research on any Insurance fraud in statistic survey.
- 6. More data analysis tools or software or technique should be used to do data analytics.
- **7.** A mixed research method of quantitative and qualitative can be applied in order to support the descriptive data by some numerical data and make more reliable findings.

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APPENDIX A

TRANSLATION OF VOLUNTARY MOTOR INSURANCE POLICY, BY THAI GENERAL INSURANCE ASSOCIATION

GENERAL CONDITIONS

Subject to the coverage, conditions, exclusions and endorsements of this Policy, the Company agrees with the Insured as follows:

1. THIS POLICY SHALL BE EFFECTIVE IMMEDIATELY WHEN THE INSURED PAYS THE PREMIUM

A premium payment made to an insurance agent, a Company officer or insurance broker, who is authorized to receive the premium payment, or to any person or juristic person who the Company recognizes as acting as the Company's representative, is deemed to be a premium payment made to the Company.

2. <u>DEFINITIONS</u>

Unless otherwise specified in this Policy, when used in this Policy or endorsement:

"Company"	means	the Company issuing the Policy;
"Insured"	means	the person shown as the Insured in the Schedule;
"Motor Vehicle"	means	the insured motor vehicle which has particulars as stated in the Schedule;
"Schedule"	means	the Schedule of this Policy;
"Each Accident" event;	means	an incident or series of incidents arising from one
"Deductible"	means	the amount of the liability or damage which is covered under the Policy or endorsement which shall be borne by the Insured.

3. GENERAL EXCLUSIONS

This Policy does not cover damage or liability arising directly or indirectly caused by:

- 3.1 war, invasion, acts of foreign enemy, hostilities or war-like operations (whether war is declared or not);
- 3.2 civil war, military uprising, rebellion, revolution, mutiny, or usurpation of power by military or by other means, civil commotion assuming the proportions of or amounting to a popular uprising;
- 3.3 nuclear weapons material; or

3.4 ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purpose of this exception, combustion shall include any self-sustaining process of nuclear fission.

4. <u>CLAIMS MANAGEMENT WHEN DAMAGE OCCURS</u>

When damage or liability covered under the Policy occurs, the Insured or the driver must give notice to the Company without delay, and take any necessary action to preserve the legal rights.

The Company, on behalf of the Insured, has the right to take proceedings on any matter regarding the accident if the damage is under the coverage of the Policy.

The coverage shall be triggered only if the Insured or the driver acts in good faith.

5. <u>COMPANY'S LIABILITY IF THE COMPANY REFUSES TO PAY</u> <u>COMPENSATION</u>

When there is a claim for compensation against the Company, and the Company refuses to pay such compensation for whatsoever reason, resulting in the Insured or an injured person bringing a case to the court or requesting arbitration, if the court or arbitral tribunal renders a judgment or award ruling that the Company loses the case, the Company must be liable to the Insured or the injured person in accordance with the judgment or award, plus default interest at the rate as specified by law from the date of default.

6. <u>AMENDMENT</u>

The coverage and conditions under this Policy can be amended only by the Company's endorsement.

7. <u>NO-CLAIM DISCOUNT</u>

2nd step:

7.1 If the Insured insures a Motor Vehicle with the Company, the Company shall apply the premium discount to the Insured in steps as follows:

<u>1st step:</u> 20% of the premium of the renewal year for the motor

vehicle which did not have any claim in the first year

30% of the premium of the renewal year for the motor vehicle which did not have any claim for two years consecutively

3rd step: 40% of the premium of the renewal year for the motor vehicle

which did not have any claim for three years consecutively

4th step: 50% of the premium of the renewal year for the motor vehicle

which did not have any claim for four years consecutively or

more

The Company shall reduce the premium only when the Insured renews the Policy with the Company and only for the renewal coverage.

"The motor vehicle which did not have any claim" shall include a Motor Vehicle regarding which a claim for damage is made, but such damage arises from the negligence of a third party and the person who is at fault is known, resulting in the Company being able to demand an indemnity for paid compensation from the third party.

If a claim is made during the period of insurance which the Insured receives no-claim discount, the Company shall apply the premium discount for the next renewal year to the Insured as follows:

- (A) The no-claim discount shall go back one step, if the claim arises from the negligence of the driver of the Motor Vehicle, or the Insured is unable to identify the adverse party.
- (B) The no-claim discount shall go back two steps, but the premium shall not exceed the normal rate, if there is a claim for damage for the negligence of the driver of the Motor Vehicle, or the Insured is unable to identify the adverse party, two times or more, and such aggregated damage exceeds 200% of the premium.
- 7.2 If the Insured entered into an insurance policy with another insurer and renews the insurance with the Company, the Company may apply clause 7.1, *mutatis mutandis*.

8. INCREASE OF PREMIUM FOR IMPROPER DRIVING:

If the Insured insures a Motor Vehicle with the Company and there is a claim for damage arising from an accident which happens during the period of insurance and the driver of the Motor Vehicle is negligent, or the Insured is unable to identify the adverse party, two times or more, and such aggregated damage exceeds 200% of the premium, the Company shall increase the premium in steps as follows:

1st step: 20% of the premium of the renewal year.

2nd step: 30% of the premium of the renewal year for the Motor Vehicle which

has claim for damage for two years consecutively

3rd step: 40% of the premium of the renewal year for the Motor Vehicle which

has claim for damage for three years consecutively

4th step: 50% of the premium of the renewal year for the Motor Vehicle which

has claim for damage for four years consecutively or more.

If the premium is increased due to improper driving, regardless of which step, and during the period of insurance there is a claim for damage for the negligence of the driver of the Motor Vehicle, or the Insured is unable to identify the adverse party, less than two times, or two times but the aggregated damage does not exceed 200% of the premium, in renewal of the insurance, the Company shall apply the premium in the same step, e.g. the premium in the previous year. However, if there is no claim for damage, or there is a claim for damage but the damage does not arise from the negligence of the driver of the Motor Vehicle and the Insured is able to identify the adverse party, the Company shall apply the normal premium rate in the next renewal year.

9. TRANSFER OF THE MOTOR VEHICLE

When the Insured transfers the insured Motor Vehicle to another person, the transferee is deemed as the Insured under this Policy, and the Company shall be continuously liable under the remaining period of the Policy.

However, if the Policy specifies a named driver, the Insured must notify the Company regarding the change of named driver, in order to adjust the premium rate according to the change of risk circumstances. If failing to do so, the Insured may be liable for the Deductible under the conditions as appear in this Policy.

10. ARBITRATION

If there is any difference, dispute, or claim under this Policy between the entitled person under this Policy and the Company, if the entitled person wishes and considers that such dispute be resolved by arbitration, the Company shall agree and allow the dispute to be resolved by arbitration in accordance with the arbitration regulations of the Office of Insurance Commission.

11. <u>INTERPRETATION OF POLICY</u>

All wording in this Policy including the endorsement and other documents must be interpreted in accordance with the registrar's approved handbook.

12. <u>TERMINATION OF THE POLICY</u>

This Policy shall be terminated:

- 12.1 on the date and at the time as shown in the Schedule;
- 12.2 when there is a termination of this Policy;
 - 12.2.1 termination by the Company: The Company may terminate this Policy by giving a written notice, not less than 30 days in advance, sent by registered mail to the Insured at the last known address. The Policy shall be terminated after the end of such period.

The Company shall refund the premium to the Insured less a pro rata premium for the period the Policy has been in force.

12.2.2 termination by the Insured: The Insured may terminate this Policy by giving a written notice to the Company. The Policy shall be terminated on the date of the Company receiving such notice or the date specified in the notice, whichever is later.

The Insured is entitled to receive the refund premium at the rate specified below:

PREMIUM REFUND RATE

NO. OF DAYS INSURED	% OF ANNUAL PREMIUM	NO. OF DAYS INSURED	% OF ANNUAL PREMIUM	NO. OF DAYS INSURED	% OF ANNUAL PREMIUM
1-9	72	120-129	44	240-249	20
10-19	68	130-139	41	250-259	18
20-29	65	140-149	39	260-269	16
30-39	63	150-159	37	270-279	15
40-49	61	160-169	35	280-289	13
50-59	59	170-179	32	290-299	12
60-69	56	180-189	30	300-309	10
70-79	54	190-199	29	310-319	8
80-89	52	200-209	27	320-329	6
90-99	50	210-219	25	330-339	4
100-109	48	220-229	23	340-349	3
110-119	46	230-239	22	350-359	1
				360-366	0

COVERAGE FOR THIRD PARTY LIABILITY

1. <u>COVERAGE</u>

The Company agrees to pay, on behalf of the Insured, compensation for loss or damage incurred by a third party to whom the Insured is liable under the law due to an accident arising from the Motor vehicle that being in used or is in run-way or from articles carried in or attached to the Motor Vehicle during the period of insurance. The details are as follows.

1.1 <u>Damage to Life, Bodily Injury, or Injury to Health</u>

The Company shall pay compensation, for which the Insured must be liable by law, for actual damage to life, bodily injury, or injury to health of a third person.

If the third party is deceased, the Company shall pay compensation of not less than 100,000 Baht per one person. If, on account of the death, any person has been deprived of legal support, the Company shall pay compensation for the third person's death of not less than 300,000 Baht per one person.

If the third party has Permanent Disability, the Company shall pay compensation of not less than 300,000 Baht per one person.

If the third party has the right to receive compensation from more than one motor insurance policy, all insurance companies shall jointly pay compensation equally. However, the liability of the Company per person shall not exceed the sum insured per person as stated in the Schedule. The liability of the Company per event, if third parties are more than one person, shall not exceed the sum insured for each event as stated in the Schedule.

Permanent Disability means the permanent total disablement from attending to any business or occupation.

The third party who is covered by clause 1.1 shall not include the driver who must be liable under the law, including the driver's employee who acted in the course of employment, or the driver's spouse, father, mother, or child.

1.2 Property Damage

The Company shall pay compensation for the third person's property damage for which the Insured must be liable under the law. The liability of the Company shall not exceed the sum insured stated in the Schedule.

The following properties are excluded:

- (A) property which belongs to, is in the care of, under control of, or in possession of the Insured, the driver whom is at fault by law, including spouse, father, mother or child of the insured or the driver.;
- (B) weighing station, bridge, train bridge, road, runway, walkway, field, or anything underneath caused by vibration or weight of the Motor Vehicle, or weight of the load on the Motor Vehicle;
- (C) article or property carried into a Motor Vehicle, or property loaded in a Motor Vehicle, or being lifted up and down from the Motor Vehicle, or property in the Motor Vehicle lifted from one place to another place; and
- (D) property damaged by leaking of a toxic chemical carried, or hazardous substance carried in the Motor Vehicle, except leaking which arises from an accident or leaking of gas or fuel for operating the Motor Vehicle.

2. <u>DEDUCTIBLE</u>

The Insured is liable to pay the Deductible for Each Accident as follows:

- (A) First 2,000 Baht for property damage if using the Motor Vehicle outside the scope as stated in the Schedule.
- (B) Amount Deductible as stated in the Schedule.
- (C) First 2,000 Baht for the third party's property damage, if it is named-driver insurance, if such damage is the fault of the driver of the Motor Vehicle who is not the named driver.

If the Insured must be liable for more than one Deductible item, it is deemed that each Deductible is a separate Deductible.

If the Insured is liable for Deductible as stated in (A), (B), and (C), the Company shall advance payment on behalf of the Insured. The Insured must reimburse such payment to the Company within seven days from the date of receiving the demand letter from the Company.

3. <u>LEGAL EXPENSE</u>

If the Insured is sued in a court to pay compensation which is covered by this Policy, the Company shall defend the case on behalf of the Insured at the expense of the

Company, unless the Company has already paid compensation of the full sum insured to before such lawsuit.

4. COVERAGE OF THE LIABILITY OF THE DRIVER

The Company shall treat any person driving the Motor Vehicle with the Insured's permission as if such person were the Insured, provided that:

- 4.1 such person shall perform as if that person were the Insured and shall be subject to the provisions of this Policy; and
- 4.2 such person is not compensated by any other insurance policy, or is compensated but not adequately, then the Company shall pay compensation only for the portion of the damages in excess of the amount paid under the other insurance policy.

5. COVERAGE OF THE LIABILITY OF THE PASSENGER

This Policy provides coverage for the passenger's liability when the passenger is liable from the Motor vehicle that being in used or is in run-way or from articles loaded in or attached to the Motor Vehicle which have been covered by this Policy, provided that such passenger is not compensated by any other insurance policy, or is compensated but not adequately, in which case the Company shall then pay compensation only for the portion of the damages in excess of the amount paid under the other insurance policy.

6. COVERAGE OF THE EMPLOYER

This Policy provides coverage to the employer who is not the Insured, when the employer is liable for the employee's use of the Motor Vehicle in the course of the employment within the terms and conditions of this Policy, provided that:

- 6.1 the employer shall perform in accordance with the provisions of the policy;
- 6.2 the employer is not compensated by any other insurance policy, or is compensated but not adequately, then the Company shall pay compensation only for the portion of the damages in excess of the amount paid under the other insurance policy.
- 6.3 this coverage shall not increase the sum insured under the Policy.

7. GENERAL EXCLUSIONS

The coverage in this section does not cover the liability arising from:

- 7.1 use of the Motor Vehicle outside the territorial limits of the Policy;
- 7.2 use of the Motor Vehicle for an illegal purpose, e.g. robbery or carrying of drugs;

- 7.3 use of the Motor Vehicle for racing;
- 7.4 use of the Motor Vehicle for towing or pushing, except if the Motor Vehicle that is being towed or pushed is also insured by the Company or the Motor Vehicle is specially built for towing purposes, or the Motor Vehicle is adapted with the connecting braking system;
 - 7.5 contractual liability to which the Driver agrees if there were no such contract, such liability would not have existed; or
 - 7.6 driving of the Motor Vehicle by a person who has a blood alcohol level of not less than 150 milligrams percent.

8. SPECIAL CONDITION

Subject to the limits of liability stated in the Schedule, the Company shall not raise the invalidity of the Policy or the gross negligence of the Insured, or clause 7.1, 7.2, 7.3, 7.4, 7.5, or General Conditions, except clause 3 of General Conditions, as a defense against a third party for the purpose of denying the liability under clause 1.1 of this section.

The Company shall not raise clause 7.6 as a defense against a third party for the purpose of denying the liability under clause 1.1 and 1.2 of this section.

If the Company is not liable by law or under this Policy to the Insured, but the Company has paid compensation under paragraphs one and two, for the liability of the Insured to the third party, the Insured must reimburse such compensation to the Company within seven days from the date of receiving a demand letter from the Company.

COVERAGE FOR LOSS OF OR FIRE DAMAGE TO THE MOTOR VEHICLE

1. COVERAGE

Loss of Motor Vehicle

The Company shall pay compensation if the Motor Vehicle, or any part of the Motor Vehicle including equipment, decoration or accessories fitted to the Motor Vehicle in accordance with the Motor Vehicle manufacturer's standard specification or dealership sales, or additional equipment and decoration which the Insured has informed the Company, is lost, which arises from theft, robbery, gang robbery or embezzlement, or the Motor Vehicle is damaged due to any offense or an attempt to commit such offense.

Fire Damage to Motor Vehicle

The Company shall pay compensation if the Motor Vehicle is damaged due to fire regardless of whether the Motor Vehicle was in a fire by itself or as a consequence of such other cause.

2. COMPENSATION FOR DAMAGE OR LOSS OF THE MOTOR VEHICLE

In the event the Motor Vehicle is lost due to theft, robbery, gang robbery or embezzlement, the Company agrees to pay compensation in the full amount of the sum insured as stated in the Schedule. The Insured or the beneficiary, as the case must transfer ownership of the Motor Vehicle to the Company immediately at the expense of the Company, and the Policy shall be considered terminated.

In the event the Company has recovered the Motor Vehicle, the Company shall send a written notice to the Insured by registered mail within 7 days from the date of recovery at the Insured's last known address, and the Company agrees to permit the Insured to exercise the rights as follows:

- 2.1.1 To take back the Motor Vehicle: The Insured must return the amount of compensation to the Company. In the event the Motor Vehicle is damaged, the Company shall have the Motor Vehicle repaired at the expense of the Company before returning the Motor Vehicle to the Insured; or
- 2.1.2 To waive the right to take the Motor Vehicle back.

The Insured must notify the Company within 30 days from the date of receiving the notice from the Company if the Insured desires to take the Motor Vehicle back. If the Insured fails to notify the Company within such period, it shall be deemed that the Insured does not desire to take the Motor Vehicle back.

In the event the Motor Vehicle is a Total Loss, the Company shall pay compensation in the full amount of the sum insured as stated in the Schedule.

Total Loss means a Motor Vehicle which suffers damage to the extent that it is no longer capable of being repaired, or the damage is not less than 70% of the value of the Motor Vehicle at the time of the damage.

If the sum insured is not less than 80% of the market value of the Motor Vehicle at the time of this insurance agreement, either the Insured or the beneficiary, as the case may be, shall transfer ownership of the Motor Vehicle to the Company at the Company's expense and the Policy shall be considered terminated.

2.3 In the event the Motor Vehicle is damaged but not a Total Loss, or is a partial lost, the Company and the Insured may agree to have the Motor Vehicle repaired, or replaced with another Motor Vehicle in the same condition including parts and accessories, or agree on compensation for such damage or loss.

If the repair of the Motor Vehicle or the amount of compensation cannot be settled, the Motor Vehicle shall be repaired by an appointed Insurance Accredited Garage appointed by the Office of Insurance Commission.

Limits of Liability

If spare parts are required to be shipped from abroad, the Company shall be liable for no more than the price of imported parts shipped by sea.

3. MOVING AND CARE EXPENSES

In case the Motor Vehicle is damaged by fire, the Company shall pay for the actual care and moving cost of such Motor Vehicle from the date of the incident until the repair or compensation payment is completed, but such cost shall not exceed 20% of the cost of repairs.

4. WAIVER OF SUBROGATION

In the event damage or loss to the Motor Vehicle arose when a person other than the Insured used the Motor Vehicle with the Insured's permission, the Company waives the rights of subrogation against such person, except when the Motor Vehicle was delivered to and used by a person from an automotive repair service, cleaning service, maintenance service or automotive parts or accessories service.

5. EXCLUSIONS

This insurance does not cover loss or fire incurred from:

- 5.1 damage or loss from theft or embezzlement by the authorized person, or by the person possessing the Motor Vehicle under a hire agreement, hire purchase agreement or pledge agreement, or by the person attempting the aforementioned acts; or
- 5.2 use of the Motor Vehicle outside the territorial limits of the Policy.

COVERAGE FOR DAMAGE TO MOTOR VEHICLE

1. COVERAGE

The Company shall pay compensation for damage to the Motor Vehicle arising during the period of insurance including damage to equipment, decorations or accessories fitted to the Motor Vehicle in accordance with the motor vehicle manufacturer's standard specification or dealership sales, or additional equipment and decoration which the Insured informed the Company, but not including damage from fire.

The Company's limit of liability shall not exceed the sum insured stated in the Schedule.

Fire means damage to the Motor Vehicle resulting from fire regardless of whether the Motor Vehicle was in a fire by itself or as a consequence of any other cause.

2. <u>COMPENSATION FOR DAMAGE TO THE MOTOR VEHICLE</u>

2.1 In the event the Motor Vehicle is a Total Loss, the Company shall pay compensation in the full amount of the sum insured as stated in the Schedule.

If the sum insured is not less than 80% of the market value of the Motor Vehicle at the time of this insurance agreement, either the Insured or the beneficiary, as the case may be, shall transfer ownership of the Motor Vehicle to the Company at the Company's expense and the Policy shall be considered terminated.

Total Loss means a Motor Vehicle which suffers damage to the extent that it is no longer capable of being repaired, or the damage is not less than 70% of the value of the Motor Vehicle at the time of the damage.

2.2 In the event the Motor Vehicle is damaged but not a Total Loss, the Company and the Insured may agree to have the Motor Vehicle repaired, or replaced with another Motor Vehicle in the same condition including parts and accessories, or agree on compensation for such damage or loss.

If the repair of the Motor Vehicle or the amount of compensation cannot be settled, the Motor Vehicle shall be repaired by an **Insurance Accredited Garage** by the Office of Insurance Commission.

Limits of Liability

If spare parts are required to be shipped from abroad, the Company shall be liable for no more than the price of imported parts shipped by sea.

3. MOVING AND CARE EXPENSES

In case the Motor Vehicle is damaged which covered under this Policy, the Company shall pay for the actual care and moving cost of such Motor Vehicle from the date of the incident until the repair or compensation payment is completed, but such cost shall not exceed 20% of the cost of repairs.

4. <u>DEDUCTIBLE</u>

The Insured is liable to pay the Deductible for Each Accident as follows:

- (A) First 1,000 Baht for damage not arising from a collision or overturning, or in case the Insured is not able to identify the adverse party.
- (B) Amount Deductible as stated in the Schedule.
- (C) First 6,000 Baht for damage to the Motor Vehicle arising from collision or overturning in case it is named-driver insurance and the driver who was driving the Motor Vehicle at the time of the incident was not the named driver as specified in the Policy.

If the Insured must be liable for more than one Deductible item, it is deemed that each Deductible is a separate Deductible.

The Insured is not liable to pay a deductible as mentioned in (B), and (C), if the damage arose from a third party's act and such third party who is at fault is known, resulting in subrogation.

If the Insured is liable for a Deductible as stated in (A), (B), and (C), the Company shall advance payment on behalf of the Insured. The Insured must reimburse such payment to the Company within seven days from the date of receiving the demand letter from the Company.

5. CARE OF THE MOTOR VEHICLE

The Insured shall be liable for any additional damage or damage from another accident due to the use of the Motor Vehicle prior to a necessary repair, or disregarding proper care of the Motor vehicle when involved in an accident or engine failure.

6. WAIVER OF SUBROGATION

In the event damage or loss to the Motor Vehicle arose when a person other than the Insured used the Motor Vehicle with the Insured's permission, the Company waives the rights of subrogation against such person, except when the Motor Vehicle was delivered to and used by a person from an automotive repair service, cleaning service, maintenance service or automotive parts or accessories service.

7. EXCLUSIONS OF OWN DAMAGE

This Policy does not cover

- 7.1 depreciation or wear and tear of the Motor Vehicle;
- 7.2 mechanical breakdowns, or mechanical or electronic failures which are not due to an external accident;

- 7.3 damage to the Motor Vehicle caused directly by overloading or exceeding the number of passengers limited by law, which is not due to an external accident;
- 7.4 damage to tires caused by braking, punctures, cuts or bursts unless damage occurs to another part of the Motor Vehicle at the same time; or
- 7.5 loss of use of the Motor Vehicle, unless such loss is caused by the Company delaying the repair, or taking unnecessary time to repair the Motor Vehicle without good reason.

8. EXCLUSIONS OF USE

The coverage in this section does not cover the liability arising from:

- 8.1 use of the Motor Vehicle outside the territorial limits of the Policy;
- 8.2 use of the Motor Vehicle for an illegal purpose, e.g. robbery or carrying of drugs;
- 8.3 use of the Motor Vehicle for racing;

9. <u>OTHER EXCLUSIONS</u>

This insurance also does not cover:

- 9.1 use of the Motor Vehicle for towing or pushing, except if the Motor Vehicle that is being towed or pushed is also insured by the Company or the Motor Vehicle is specially built for towing purposes, or the Motor Vehicle is adapted with the connecting braking system;
- 9.2 use of the Motor Vehicle outside the scope as stated in the Schedule;
- 9.3 driving of the Motor Vehicle by a person who has a blood alcohol level of not less than 150 milligrams percent; or
- 9.4 driving of the Motor Vehicle by any person who has not been granted a valid driver's license, or had been granted a valid driving license but was barred from using the driving license, or being granted a driver's license for motorbikes but uses such license for driving of the Motor Vehicle.

The exclusions as stated in 9.1, 9.2, 9.3 and 9.4 do not apply in the event the damage of the Motor Vehicle is not due to the negligence of the driver of the Motor Vehicle under this Policy.

However, in the event the Policy specifies a named driver, the exclusion in 9.4 does not apply if the driver at the time of the accident is the same person as specified in the Schedule.

APPENDIX B PART OF RESPONDED QUESTIONNAIRE

Date and time: 30th of October 2014 and the time is 12.56 p.m.

The Respondent: <u>A</u> Position: <u>Assessor</u>

Part 1: General information

- 1) What is your current position in this company? Assessor
- 2) Recently, were you work for any Insurance organization? <u>In an insurance company.</u>
- 3) Which province do you work in Thailand? Bangkok.
- 4) How long have you been working in Insurance organization? How many accidents have you inspected or seen?

 About 6-7 years, the number of accidents is not less than 5000-6000 cases.

Part 2: Knowledge Background

- Do you know and understand the voluntary insurance or not? And how? Yes, there are various type of voluntary coverage. The main type that the customers want is Type 1. Then, type 2, type 3, type 4, and type 5 that is 2+ and 3+. However, type 4 has been cancelled already.
- 2) Do you know and understand the compulsory insurance or not and how? Yes. Compulsory Insurance forces all motor vehicle to apply to cover people lives.
- Can you tell about the laws concerning car insurance or fraud? Please specify how you execute the laws.
 The primary laws which related to insurances is Land Traffic Act, which use to consider whose fault is it or who takes advantages in accident.
- 4) How do you define the fraudulent claim for indemnity?

 Fraudulent insured is the claim which has been cheating, the car has spoofed to be in an accident but actually it isn't and they claim for indemnity.
- 5) How do you indicate that the claimed accident is the fraudulent claim for indemnity?

The first indicator is the place where the accident was happened, may be it happened in the night time where they have no CCTV for checking. Next, Marks between insured's car and the third party's car which are inconsistent. The last one is physical evidence that may not found around that area but the car has heavily damaged.

- Have you ever inspected or seen the fraudulent claims for indemnity by the insured or not?

 Yes, there's a case that the car has caught in an accident in Bangbuathong. The insured and the third party seem that they know each other. It looks like they had set up a situation of car accident and asked for claims after a month passed.

 After the checking, it is found that the third party's car has considerable damages whereas the insured's car has none.
- When you do think that the fraudulent claim for indemnity by the insured is effective?If the company has paid for the victim or the insured already.
- What do you think is the important factor that the insured made the fraudulent claim for indemnity?
 The main factor that may cause fraudulent which insured from the related insured and third party.

Part 3: Understanding of the accident scene inspection

- 1) From the designated accident cases, how do you decide that which one is the fresh claim or dry claim? How do you define these two types of claims?

 Yes, of course. Fresh claim is a sudden accident that the both parties still there and the motor claim surveyor reaches there immediately to perform their duties, judge rights there whose fault is. It needs to make daily report and wait for the result after consideration, provided it isn't finished. In part of claim after an accident, crashing pole, hit without the third party will be informed afterward or wait tills it has many scratched, then they'll make a car claim at once.
- While you are inspecting the fresh claim accident, can you describe the fraudulent claim for indemnity car insurance? And how?

 If the inspectors are fast enough to the fresh claim, it may be fraud case if they deliberate that it's tally by these facts. First, by the marked of the insured's car and the parties' car that not conforms in the same level; once, in knee height but the other on hip. The physical evidences as well, if some of them are not found, it may be fraud, for example, we reached the scene of accident and found the light bulb was broken, but there wasn't any shard.

- 3) While you are inspecting the fresh claim accident, can you describe that the surroundings or the accident scene, or if there is a third person who supports the fraudulent claim for indemnity?

 Yes. Normally in fraudulent cases, the insured and the third party will set a scene not far from their homes. Moreover, that place has no CCTV, the witnesses seem to know each other, or live in same neighbourhood.
- While you are inspecting the fresh claim accident, can you describe the fraudulent claim for indemnity? And how?

 Most of fraudulent insured is about cars crash without the third party. It indicates in the policy that if without the third party, the insured would pay an excess or participate in car repair payment for 1,000 baht/1 time. So, as usual, they told that they just hit a pole while we found some of the third parties' car colour appeared on their car.
- While you are inspecting the dry claim accident, can you describe that the surroundings or the accident scene, or if there is a third person who supports the fraudulent claim for indemnity?
 In term of the claim after accident, most of the insured don't know about the deductible so they make a car claim with the garage or automobile repair shops which often tricked to avoid 1,000 baht for car repair payment or deductible.
- 6) From your experience in inspecting accidents, which claim do you find that has the most fraudulent claim for indemnity? Fresh claim or dry claim? Most of them are fresh claim.

Part 4: the patterns of the frauds used to avoid the term of policy or the exclusions

- Have you ever inspected or seen the fraudulent claims for indemnity by the insured in order to conceal or defraud of days insured before buying a policy and after the termination of the policy? Can you describe the characteristic of fraud? Sure. Most of the expired policy would cheated by calling for making a claim to the company even it's run out of time. For example, there're some insured pretend that they have a car crash on 20th last month that still in time of insurance coverage but, truly, it was happened on the first day of this month that their policy has already expired since last month. So, in case like this, we have to do an investigation, asking for witness, CCTV or any evidence to confirm that it is true. If not, we wouldn't pay for any coverage or indemnity.
- 2) Have you ever inspected or seen the fraudulent claims for indemnity by the insured in order to conceal or defraud in order to misinform the detail of the insured car to make a car claim? Can you describe the characteristic of fraud?

I've seen some of them. I had to check license whether it was correct or not. For this case, the license was correct but, after checking the body of vehicle, we found that the chassis number was not match to the insured car.

- Have you ever inspected or seen the fraudulent claims for indemnity from the insured by using the term of compensation for damage? (Not over than sum insured) or using the compensation (as cash, repair, replacement) advantageously? Can you describe the characteristic of fraud?

 Normally, most of the accessories, they use the non standard one instead of the standard one like car skirt but when there's accident, they try to switch to the standard one which the price is so different.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim by using the term of other conditions, such as the interest cause and the proximate cause? Can you describe the characteristic of fraud?

 Generally, most of the insured and the third party share benefits together. One has insurance but another has none, so when there's an accident, the one with insurance would ask for a claim to pay them indemnity.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim by avoiding the car usage, for example, the use of motor vehicle outside the territory covered or the use of motor vehicle for an illegal purpose (such as for plunder, robbery, or illegal drug trafficking), or for racing or other than described above? Can you describe the characteristic of fraud?

 Normally, it use in illegal way for car racing and transport addictive drugs. We found car racing by using the CCTV. If the insured don't have CCTV and the third party doesn't accept, it will become his advantage.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the exclusion of driving by a person who has an alcohol content of not less than 150 milligram percent while driving? Can you describe the characteristic of fraud?

 There's a test to measure alcohol level which shouldn't be over 150. However, an insurance company ask if they can keep the results if is over 150, but the police do not allow because the company may charge money from the insured or whatever.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the exclusion of driving by a person who has never obtained a license to drive any motor vehicle, or who has obtained it before but it is disqualified to drive by law, or uses a driving license for motor cycle to driver a motor vehicle? Can you describe the characteristic of fraud?

 Yes, I have met some cases. In general, people would be anxious and may be fuss around when they get in danger so, they would immediately report about the

accident, they truly tell everything because they didn't realize that they may get in trouble for the reason of they have no driving license and the insurance wouldn't work because they actually told their name. After they calm down and get a grip, they just realized so; they pretend the one who has driving license as that one is a driver. For example, A was the one who drive a car and had car accident and because he was so panic-stricken that why he informed everything. So, during he waited for a help, he regains consciousness and call B to pretend as the one who was injured. When we arrived and the name was not match that why we can check that it is a fraud.

- 8) Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the damage and loss of the car resulted from theft by the authorised person, or due to the rent, instalment or pledge contracts, or by the person who signed the contract? Can you describe the characteristic of fraud? There's a case of some kind of rental cars. There is somebody who rent a car and intends to escape. When the company calls, he blames that the company's staff is the one who drove away.
- 9) Have you ever inspected or seen the fraudulent claims for indemnity by the insured claim in order to avoid the deductible in the case of the named plan policy when the damage caused by any driver not by the named driver? Can you describe the characteristic of fraud?

 We often meet this kind of case. It's similar to the case of driving license. When they reported the case, they only said about Mr.A and Mr.B, but actually Mr.C was the driver. When we arrived at the scene, Mr.C sudden told us that he's not the driver but it was Mr.B. So we had to investigate more about the witness, and the scene of accident.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured to avoid the deductible for 1,000 baht from the damage which did not happen from the car crash or without the third party? Can you describe the characteristic of fraud?

 This case is like the insured car was hit by rubbles but we have been informed that the car was hit by the pole, or has little scratch, or they had a car crash but don't have the party. This happen because they want to avoid the excess.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the third party property damage? Can you describe the characteristic of fraud?

 It's mostly about the fake accident. Like one case that the car crashes at the back of the party's car. The party says he brings valuable things with him but we don't exactly know if he actually carried some worthy stuff or not.

- Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the third party bodily injury or the compulsory insurance? Can you describe the characteristic of fraud?

 There's a case like this, it's commonly to people that they may have accidents and someone got injured or dead. The police will contact with us about the accident.

 The police will check the CCTV and look for car's license; he checks the insurance company and calls us to tell that the car under our insurance coverage has car crash and reconcile relatives of the one who get injured and talk about compensation like thirty thousand or hundred thousand would be fine and share money to everyone.
- Have you ever inspected or seen the fraudulent claims for indemnity by the insured concerning the land vehicle collision of type 5 (referred to 2+ or 3+)? Can you describe the characteristic of fraud?

 As far from my cases, the insured car was comprehensive type, but the party was type 2+. I look like they have a race after delivery. The type 2+insured car were fell into the pavement and get heavy damaged cost about 200000-300000 baht.

 Then our insured car which is comprehensive type, if the third party car which is type 2+deformed, they have to coverage. If our comprehensive type car hit or scratch the type 2+ car just a little bit we also need to take response. So they let our car scratch at the end of the party's car along to the right side. It's hard to decide if it's old or new mark because the alignment is match up but then I could catch up their fraud so we denied for the coverage.

Part 5: The consideration of fraudulent claims

- 1) From the case you have inspected that there are the fraudulent claims for indemnity, have you ever reported to the police? And from your experiences, did the police have done further investigation?

 It depends to the situation. If we found that the car is much damaged or if it really looks like a fraudulent case then we have to do the daily report at the police station to be evidences. Because there's a law about intentionally false report which is regarded as criminal case and cannot be compromised. After finished daily report, the police will send both of the cars for inspection to find that what the real reason of this accident is.
- 2) Have you ever reported the fraudulent claims for indemnity to the police with the insurance company? How many claims have you reported?

 There're 100 cases which I was inspected, and about 5 cases which are the frauds.
- From your reported fraudulent claim, have you ever known that the company can reject the responsibility? How much do your company have rejected?

 Yes, actually we can refuse not to respond. If there're 100 cases, we can deny ten cases out of them.

- In case of the company's rejection of the fraudulent claim and the insured wishes to dispute through arbitration, have you ever participated in the trial? If any, how many times have you attended?

 I have never attended.
- 5) From your inspection of the fraudulent claims by the insured, have you ever known that how many cases that were be disputed by the arbitration to indicate that the company is at fault or consider as a fraudulent claim?

 No.
- From the accidents that you inspected and reported as fraudulent claims by the insured, have you ever known that how many trials have been sent to the court?

 As I know, it's because I have never attended to any fraudulent cases of lawyers, just only the case about cars. As the answer from my friend who works in the department of corruption shows that, from 100 cases that we caught up as fraudulent claim. Less than 5 claims get in court, the other has been cancelled in the arbitration
- 7) Have you ever known that how many trials have been judged from your inspection of the fraudulent claim by the insured?

 No.
- 8) From your inspection of the fraudulent claims, have you ever known about the decision of the court in case of the court disagreed with?

 No.

Part 6: Open-ended questions

- 1) Do you have any suggestion about how to prevent the insured to make a fraudulent claim? And how?

 I think it's difficult to prevent the fraudulent claim because type 1 is the insurance of all risks because it almost covers everything of the cars. An important principle is car checkup. I want the type 1 which will be renew or not or even buy a new one, I suggest to check up of them so we would not have to make an argument.
- 2) Do you have any suggestions for the researcher or to cover the knowledge of the study further?

 I think it's covered all, but I want to add one more thing which is about evidence proof for the fraudulent driver. Sometimes the driver and passenger replace each other positions, two people come together but we don't know who's the one dead, so they may swift a driver to be a passenger or a passenger to a drive. It must be identified like the blood stain or anything. We have to check deeply more than just the insured car because there have people in it.

APPENDIX C PIVOT TABLE (IN EXCEL) OF THE PATTERNS OF FRAUD FOR CODING RESULT

No.	Policy terms & exclusions	Coding result of Patterns of Behavior		Data extraction	Group of Action
1	Avoiding insurance period	by reporting the wrong date of incident	1	by reporting the wrong date of incident	Insurance period
2	Avoiding insurance period	by reporting the wrong time of incident	2	by reporting the wrong time of incident	Insurance period
3	Avoiding insurance period	by waiting policy inception to report old damage	3	by waiting policy inception to report old damage	Insurance period
4	Avoiding misinformation	by covering wrong chassis/body no.	4	by covering wrong chassis/body no.	Insured car
5	Using the compensation advantageously	by claiming on higher specification.	5	by claiming on higher specification.	Insured car
6	Avoiding the prohibited car usage	by reporting another accident covering accident during car racing	6	by reporting another circumstance to cover the prohibited car usage	Changing Circumstances
7	Avoiding the prohibited car usage	by reporting another accident covering accident during drugs trafficking	6	by reporting another circumstance to cover the prohibited car usage	Changing Circumstances
8	Avoiding the prohibited car usage	by reporting another accident covering accident during illegal immigration	6	by reporting another circumstance to cover the prohibited car usage	Changing Circumstances
9	Avoiding alcohol over 150	by avoiding to do alcohol test	7	by avoiding to do alcohol test	Person (The Insured)
10	Avoiding alcohol over 150	by changing driver	8	by changing driver	Person (The Insured)
11		by asking wrong support by police officer	9	by asking wrong support by police officer	Person (Other parties)
12		by changing driver	8	by changing driver	Person (The Insured)
13	Avoiding no license/disqualified/other license	by making wrong statement from others	10	by making wrong statement from others	Person (Other parties)
14	Avoiding no license/disqualified/other license	by using fake international driver license	11	by using fake international driver license	Person (The Insured)
15	Avoiding theft by the authorised person	by reporting car was stolen by others	12	by reporting car was stolen by others/staff	Changing Circumstances
16	Avoiding issue of car rental	by reporting car was stolen by staff	12	by reporting car was stolen by others/staff	Changing Circumstances
17	Avoiding theft by the authorised person	by reporting the wrong location of incident as car was pawned due to gamble	13	by reporting the wrong location	Changing Circumstances
18	Avoiding deductible	by changing driver	8	by changing driver	Person (The Insured)
19	Avoiding deductible	by having false witness	10	by making wrong statement from others	Person (Other parties)
20	Avoiding deductible	by reporting to hit a pole instead of real object	14	by reporting to hit a pole instead of real object	Changing Circumstances
21	Avoiding deductible	by reporting to hit another car but no claim from third party	15	by reporting to hit another car but no claim from third party	Changing Circumstances
22	Avoiding deductible	by changing the circumstances but the damage not conform	16	by changing the circumstances but the damage not conform	Changing Circumstances
23	Concerning Third Party Property Damage	by setting the scene	17	by setting the accident scene	Changing Circumstances
24	Concerning Third Party Bodily Injury	by making fake bills	18	by making fake bills	Person (Other parties)
25	Concerning land vehicle collision	by accepting to be Third Party for other car.	19	by accepting to be Third Party for other car	Person (The Insured)
26	Concerning land vehicle collision	by finding someone or fake party's car to become a Third Party.	20	by finding someone or fake party's car to become a Third Party.	Person (Other parties)
27	Concerning land vehicle collision	by reporting wrong third party's vehicle no.	21	by reporting wrong third party's vehicle no.	Changing Circumstances

VITAE

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