

## Insurance Fraud and You

by Joan Rice, CIC

As unpleasant as it is, insurance fraud exists all around you, and your rink is no exception. It is estimated that insurance fraud adds an additional \$200 to the insurance premiums paid by every family in the U.S. annually.

According to recent fraud surveys, an estimated 25 percent of the population thinks it's OK to get into the insurance company's "deep pockets." That's potentially 25 percent of your customers.

Insurance fraud is punishable by fines, jail or both. We all share responsibility to at least decelerate this costly drain on our financial resources and to stop these crimes. Insurance companies are getting tougher about paying frivolous claims, but they need your help. Even though it may be fraudulent, the company must address each claim that is presented, and you have to be represented by an adjuster and/or an attorney against the claimant. This costs money and wastes everyone's valuable time.

How can you help? Be on the defense. In this case we're talking about your team: you, your insurance company, and your defense attorney. Recognizing and discouraging fraudulent claims can assist your insurance company and your attorney in lessening the impact of this problem that affects us all.

Recognizing fraudulent claims is tricky in an ice rink because, let's face it, people do fall down frequently. But when is the injury real and when are they faking? The following are possible fraud indicators:

1. The attitude of the claimant is suspicious. He is pushy, intimidating or aggressive.
2. There are no witnesses to the accident, either other skaters or employees, even though the rink was crowded at the time.
3. He is more concerned with making a claim than with taking care of his alleged injury. He won't tell you what happened. He wants your manager or skate guard to agree with and confirm his version of the accident to the point of insisting or arguing.
4. He wants a copy of your incident report right away.
5. He may try to interfere with your collection of evidence.
6. He appears to know quite a bit about insurance and claim procedures. He may threaten to call his lawyer if you don't admit fault for the accident.
7. He may ask for a quick settlement, often at an amount reduced from the original demand.

Of course, these are only possible indications of fraudulent activity, but you should use them as a guide. If you suspect anything criminal or improper is going on, please report this information to your insurance agent, adjuster or attorney.

How can you fight fraud offensively? Outstanding maintenance is the most proactive way to affect the number of claims at your facility. By keeping a clean and safe rink and well-maintained rental equipment and locker rooms, you are reducing the likelihood that someone will be hurt, thus reducing potential claims. Being able to prove your superb maintenance will help, especially in court. Keep records of your ice resurfacing, regular maintenance, and periodic repairs. Your attorney can use these pieces of evidence in your defense. Your insurance agent should be able to supply forms for your use, as well as other risk management guidelines.

*\* Joan Rice has 12 years of experience in commercial insurance and holds the Certified Insurance Counselor designation. For 10 years, she has specialized in insuring rinks of all types. Rice Specialty Risk has been insuring ice arenas for 25 years. Joan can be reached at 800-733-RICE or send e-mail to [jrice@warren-hoffman.com](mailto:jrice@warren-hoffman.com)*