

Co-operate? You Must be Joking!

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Paul May takes a challenging look at the fundamental issue of co-operation between the Insurance Industry and the fire and police services.

Fraudulent Arson has received the attention of several working groups over the last 20 years. All the reports promote greater co-operation as a cure to the problem. The case for team-working is said to be proven by the experience and practice in America. However they have had to change the law on Immunity in each State, and even now cannot produce statistics and cost benefit analyses to justify the joint approach.

Actions speak louder than words.

In the UK we still chant the mantra while simultaneously creating distrust through the legal disputes between Insurers and the Fire Services. For example, an insurance adjuster investigating a property claim for fire damage will always try to obtain information from the fire officers that were at the scene.

Informally, the process may be possible, formally the interview arrangements could take some time. The fire officers will be told by the adjuster, and possibly the private forensic scientist retained by the insurance company, that the interviews are to help in establishing cause. So experienced fire officers are distracted from their main purpose of dealing with life-threatening fires, to attend interviews.

Details regarding timings spread and extinguishment are volunteered at the meeting. Some time later the fire brigade's local authority receive notification that they are to be sued for negligence in dealing with the fire.

This is a risk that exists so why should fire service personnel co-operate with Insurers?

As far as insurers are concerned why should they co-operate with the police? Take the example of an arson fire considered by the police and Crown Prosecution Service to be worth a criminal prosecution of the policyholder.

Through the naïve "co-operation" philosophy, the lawyers acting for the Insurers volunteer to the hard pressed, time and resource challenged prosecution extensive, and expensive, information that has been collected during the investigation of the insurance claim.

This could include a cause report prepared by a private forensic scientist, a financial analysis report prepared by an independent accountant, and transcripts of detailed tape recorded interviews between the adjuster and the policyholder.

The prosecution fails to gain a conviction and the policyholder commences legal action to force the insurance company to pay the claim. At that time the policyholder has knowledge of a considerable amount of evidence which might otherwise have been unknown until the discovery stage of the civil proceedings.

A cost saving commercial compromise settlement will now be more expensive, or possibly not achievable, because the Insurer's "cards" have been seen by the policyholder courtesy of the criminal case.

This is a risk that exists, so why should Insurers co-operate with the police?

These two examples are intended to show that there are real barriers to the "holy grail" of co-operation. Until such practical issues are addressed, the current hap-hazard approach will continue, the level of fraudulent arson will not be reduced and many hours will be wasted at well-meaning but toothless committees and conferences. Nothing short of a reform of the law will change the situation.

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