



## **AUTO LOW IMPACT INJURY *FRONT END* FRAUD CONTROL**

### **A SELF DIAGNOSTIC\* ...**

#### **30 KEY QUESTIONS**

#### **HOW DO YOUR *FRONT END* CONTROLS STACK UP TO BEST PRACTICES?**

(You can complete this questionnaire in less than 15 minutes)

#### **Definitions**

“Low Impact Injury” means an alleged minor injury including muscle strain to the neck, shoulders or back or other soft tissue injury to an occupant of a motor vehicle resulting from a vehicle collision (with another vehicle or object) where the resulting vehicle damage is estimated to be minor (\$3,500 or less) independent of the speed the claimant indicates

“You” or “your” means your claims department

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1. Do you have written and specific Low Impact Injury Fraud Control Investigation Standards and Procedures (“Low Impact Injury Fraud Standards”) for AB and BI claims?

Yes = 30 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

2. Do you have a best practices service contract with the Collision Reporting Centres to provide you with electronic first and third party collision reports and colour photographs in accordance with quality standards, including agreed delivery timelines, performance audits, and penalties for deviations?

Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

3. Do you receive electronically within 24 hours of auto collisions being reported to Collision Reporting Centres, all Collision Reporting Centre first and third party reports and colour photographs of vehicle damages where your company is a named insured in any of these reports?

Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

4. Do internal or external specialized and trained claims collision analysis or reconstruction staff, within 24 hours of the receipt of Collision Reporting Centre first and third party reports and colour photographs, apply Low Impact Injury red flag criteria to all such reports and photographs, with the purpose of identifying certain claims as “questionable claims” for further investigation?

Yes = 20 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

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5. Are the red flag criteria used in question (4) above developed by person(s) experienced in AB/BI claims, fraud investigation and accident reconstruction?

Yes = 20 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

6. If you identify a claim as "questionable" under question (4) above, do you immediately inspect and measure the damages to the first and third party vehicles before they are repaired and have additional colour photographs taken by someone properly trained in photography to preserve the physical damage evidence?

Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

7. In circumstances where you do not receive first party Collision Reporting Centre reports and colour photographs immediately after a collision, and there is a physical damage claim, is the claimant asked in a claims form, or by your broker (if any), or by a claims representative before the vehicle is appraised or repaired, whether the claimant was injured in the collision and if so, for the details as to what happened in the collision, including occupant movements, vehicle speeds, seatbelt usage, third party vehicle description and damages?

Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

8. In circumstances where you do not receive first party Collision Reporting Centre reports and colour photographs immediately after a collision, are your appraisers or your pre-authorized to repair auto body shop representatives informed by a claims representative if there was an alleged injury as a result of the collision, and if so, for the details as to what happened in the collision, including occupant movements, seatbelt usage, vehicle speeds, third party vehicle description and damages before the appraiser or body shop representative are asked to inspect and appraise the vehicle damage?

Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

9. In circumstances where you do not receive first party Collision Reporting Centre reports and colour photographs immediately after a collision and one or more Low Impact Injuries are reported, do your appraisers or your pre-authorized to repair auto body shop representatives identify questionable claims from an inspection of the physical damages of the vehicle, a description of the make and model, and the measurements of any third party vehicle, a description by the claimant as to how the collision occurred and vehicle speeds, and the damages to the vehicles involved, and the application of red flag criteria?

Yes = 20 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

10. If your appraiser or your preauthorized to repair auto body shop representative identifies a claim as "questionable" under question (9) above, do you always obtain colour photographs of the first party vehicle damage taken by someone properly trained ?

Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

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11. If you identify a claim as “questionable” under question (4) above, do you immediately inspect the damages to the third party vehicle before they are repaired, take colour photographs and measurements by someone properly trained of the third party vehicle, and take additional colour photographs and measurements by someone properly trained of the first party vehicle?  
Yes = 10 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
12. When questionable claims have been identified, are all photographs of damaged vehicles taken in accordance with best practices standards established by accident reconstructionists who are experienced expert witnesses in court?  
Yes = 10 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
13. When questionable claims have been identified, are statements taken by someone properly trained from all occupants of first and third party vehicles or other witnesses to the collision?  
Yes = 10 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
14. When questionable claims have been identified, do you receive the opinion of an experienced police or engineer reconstruction expert as to whether the physical damages to the vehicle(s) likely support the fact that the collision actually occurred, as reported?  
Yes = 20 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
15. When questionable claims have been identified, do you receive the opinion of an experienced police or engineer reconstruction expert as to whether the collision impact forces could likely or probably have been the mechanism for the injury complained of, and whether the occupant movements could likely or probably have happened as they were reported by the claimant based on the extensive published Low Impact Injury crash test data, and the specific circumstances of the case at hand?  
Yes = 20 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
16. When questionable claims have been identified, are all physicians who are providing opinions on the medical condition or limitations of the claimant provided with the reconstruction expert’s report?  
Yes = 10 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
17. Have your AB claim handlers read at least one or two of the recognized and published low impact crash test studies such as Szabo et al, McConnell et al and West et al?  
Yes = 10 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
18. Do you have vendor selection and performance criteria for the investigation and reconstruction experts you use?  
Yes = 10 points, No = 0 points, Don’t Know = 0 \_\_\_\_\_
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19. Do you believe that the pending levels of your AB, PD and appraisal staff are about at the appropriate levels so they have the time to do their jobs well?  
Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
20. Do you utilize technology in assisting you to detect questionable Low Impact Injury claims?  
Yes = 10 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
21. Do you measure your Low Impact Injury AB average paid results annually and their trend lines annually, up or down?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
22. Are your Low Impact Injury AB average paid results trending down over the past 3 years?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
23. Are you finding over 10 % of number of total AB claims submitted annually are premeditated or opportunistic in some way?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
24. Do you inform the ISD of all suspicious or fraudulent Low Impact Injury claims through ISD's web claims submission facility?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
25. Has your company had one or more FSCO arbitration decisions in the past twelve months where one of the issues decided was any one of the following:  
a. whether the collision actually occurred, or  
b. whether the collision occurred as reported,  
c. whether the collision was staged, or  
d. whether there was sufficient force caused by the collision for there to be a mechanism for the alleged injury?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
26. Have you criminally prosecuted in conjunction with the authorities at least one Low Impact Injury AB fraud offender in the past twelve months?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
27. Has all your claims staff responsible to apply your Low Impact Injury fraud policies and/or procedures and/or standards been trained to use them?  
Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_
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28. Do you, or your corporate audit department, or an outside consultant assess annually to what extent there is deviation from your Low Impact Injury fraud policies and/or procedures and/or standards?

Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

29. Are any identified deviations (referred to in question 28) communicated back to the relevant claim handlers with performance plans, and made part of their periodic performance review?

Yes = 15 points, No = 0 points, Don't Know = 0 \_\_\_\_\_

30. Do your written Low Impact Injury Fraud Standards include all or most of the policies, procedures, actions or concepts referred to in questions 2 to 29 inclusive above?

Yes About All = 30 points, Yes About 1/2 = 15 points  
Yes, Just a few = 5 points  
No = 0 points Don't Know = 0 \_\_\_\_\_

**TOTAL POINTS** \_\_\_\_\_

Total your score and see how you well you are controlling AUTO LOW IMPACT INJURY FRAUD at the *FRONT END*.

$$\frac{\text{TOTAL POINTS}}{\text{TOTAL POSSIBLE POINTS ( 435)}} \times 100 = \%$$

**RATING**

- A 90 – 100% = Best Practices *FRONT END* Low Impact Injury Fraud Control
- B 80 – 89 % = Very Good, and very little Low Impact Injury front end leakage
- C 70 – 79% = Good, but more leakage than B
- D 60 – 69% = Barely Adequate, and a fair amount of leakage
- E 50 - 59% = Poor, and a lot of leakage
- F Below 50% = Failure, and potentially a fraudster's target



**Interested in discussing your results? We would be happy to discuss them with you.**

If you like, please return a copy of your questionnaire and self-rating results with your name and Company name to:

Mark Edwards, President, or Lee Thistle, Chief Operating Officer  
TSI Solutions Inc  
10 Kingsbridge Garden Circle, Suite 704  
Mississauga, Ontario L5R 3K6

Or call at 905 – 502 – 3480, and we will meet with you

If your rating is A, or B or C, that's great, we'd like our exceptional investigative and reconstruction team to work with you to keep it that way and to help to continually improve it.

If you scored Barely Adequate (D), Poor (E), or Failure (F), we would like to develop a program with you with our investigative and reconstruction team (see below) to better control Low Impact Injury premeditated and opportunistic fraud at the *FRONT END* in your company.

This AUTO LOW IMPACT INJURY *FRONT END* FRAUD CONTROL SELF DIAGNOSTIC is part of TSI's **Claims Scorecard 1000**, a unique claims best practices tool that objectively, systematically and electronically benchmarks claims and management practices against outside standards, and prioritizes improvement opportunities.

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# DEFACTO

## TSI'S EXPERTS

### Level IV Collision Reconstructionists

**Rob Seaton:** Lead reconstructionist. 23 years as a police officer specializing in collision investigation and reconstruction. Sergeant in charge of the OPP's reconstruction program. Taught collision reconstruction at the Ontario Provincial Police Academy. Consultant to the Provincial SIU on collisions involving Police vehicles. Accepted as an expert in court.

**Gary Carty:** 21 years experience as a police collision investigator and reconstructionist. Investigated more than 1500 collisions. Responsible for the investigation and reconstruction of more than 100 fatal and life threatening collisions. Accepted as an expert in court.

**Ian Woodworth:** 16 years experience as a collision investigator and reconstructionist. Investigated and reconstructed hundreds of collisions, including over a hundred collisions involving fatalities. Accepted as an expert in court.

**Bob Sybydlo:** Over 25 years of experience as a police collision investigator and reconstructionist. Investigated more than 4,000 collisions ranging from property damage to multiple fatalities. Teaches Collision Reconstruction. Accepted as an expert in court.

**Juan Carlos (JC) De Los Rios:** Over 12 years experience as a police investigator and more than 900 collision investigations. Accepted as an expert in court.

**William Kristy:** 14 years experience as a police collision investigator and collision

analyst. Investigated thousands of motor vehicle collisions, including 25 involving serious injury or fatality. Accepted as an expert in court.

### Engineering

**Dan Mills:** Investigated more than 200 collisions and conducted more than 60 crash tests as Lead Collision Investigator for Transport Canada's Vehicle Safety Research Centre (Determines the effectiveness of Canadian Motor Vehicle Safety Standards). A graduate of Ryerson University, Dan teaches Collision Reconstruction to VSRC and police investigators.

### Level III Collision Analysts

**Ian Harrison:** 28 years with Toronto Police Service. Investigated over 2,500 collisions. Investigated hundreds of traffic collisions involving serious injury or fatality.

### Level II Collision Investigators & Equivalent

**Al Jenkins:** 17 years with Metropolitan Toronto Police. Investigated thousands of collisions, both as a police officer and on his own, many of those involving serious injury, pedestrians and fatality. Accepted as an expert in arbitration. Accepted as an expert in court.

**Rick Hawkyard:** 14 years with Metropolitan Toronto Police, worked in the Criminal Investigation Bureau; was a forensic photographer; and a Special Accident Investigator. Investigated in excess of 4000 collisions, hundreds of those involving fatalities.

Was a Special Investigator and Senior Claims Specialist with Canadian General Insurance and is a Certified Fraud Examiner and Certified Fire and Explosion Investigator.

### Other Investigators

**Lee Thistle:** Former Peel Regional Police officer, having reached the rank of Detective. Recognized as a pioneer in fraud prevention in the insurance industry. While with the ICPB, awarded the Doug Hiron Memorial Award, in recognition for excellence in insurance fraud investigation. Established and managed two successful SIU's. Specializes in large loss fires and is a Certified Fraud Examiner and Certified Fire and Explosion Investigator. Accepted as an expert in court.

**Jim Marchment:** 30 years with the Peel Regional Police Force and has experience with collision investigation and fraud.

**Stan Swann:** 23 years with the Royal Canadian Mounted Police, focusing on commercial crime. Managed Zurich Canada's Investigative Services Unit. Specializes in fidelity, property and municipal liability claims. Holds CIP designation, Certified Fraud Examiner and a Canadian Certified Fire Investigator, Level C.

**Scott Griffin:** 20 years of experience as an Insurance Fraud Investigator. He is also a surveillance expert.

**Effie Naoum:** Investigator Trainee. Paralegal and Graduate of Court and Tribunal Agent Program at Sheridan College.

## WHO IS TSI?

In 1999, Jim Jasper, Mark Edwards and Lee Thistle, leaders in Canada in the Property & Casualty and Life & Health insurance industries in the creation of best claims practices, fraud control and legal management programs, came together to form **TSI Solutions Inc.**

TSI helps private and public insurers implement solutions to improve overall performance and efficiency and in particular, reduce unnecessary claims loss and expense leakage.

One of our primary objectives is to strengthen fraud recognition and investigation programs of insurers. Our investigative team includes CFEs, Certified Fire and Explosion Investigators and Level III and Level IV Collision Analysts and Reconstructionists.

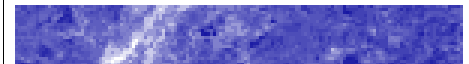
We serve our customers not only through providing claims investigation support, but also through our various training programs and our claims best practices tool, "**TSI Claims Scorecard 1000**". This tool objectively and systemically identifies and

prioritizes improvement opportunities and benchmarks claims and management practices against outside standards..

**Lee Thistle**, C.O.O. Recognized as a pioneer and leader in fraud prevention and investigation in Canada, with more than 30 years' experience. Established two effective SIU's at 2 major P&C carriers. Leads TSI's Claims Investigation Support ("CIS") unit.

**Mark Edwards**, President. 30 years experience in the Life & Health and P&C industry as VP, General Counsel & Corporate Secretary, VP Claims, a Director of various companies and as a Consultant. A change and performance management leader in best practices claims and legal management.

**Jim Jasper**, Chairman & Treasurer. 35 years in the P&C industry in the US and Canada. A change management specialist with more than 125 General Management Consulting projects to the P&C industry.



"The Solution Implementer"

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