



Case Study

A Case Analysis: A Self-Mutilation Case as Insurance Fraud from Forensic Medicine Viewpoint

Oguz Polat¹, Zeynep Reva^{2*}

¹Department of Forensic Medicine, School of Medicine, University of Acibadem Mehmet Ali Aydinlar, Istanbul, Turkey

²Forensic Medicine and Ethics Post Graduate Program, University of Acibadem Mehmet Ali Aydinlar, Istanbul, Turkey

*Corresponding author: Zeynep Reva, Forensic Medicine and Ethics Post Graduate Program, University of Acibadem Mehmet Ali Aydinlar, Istanbul, Turkey. Tel: +90216500431; Email: z_reva@yahoo.com

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Abstract

As a significant and growing problem, insurance fraud may be defined as intentional deceit of an insurance company by a beneficiary with goal of earning financial gains. It may occur by means of hiding an important fact that might change the decision of the insurance company or by means of false reporting. Insurance fraud poses a big problem not just for insurance companies and also for honest policyholders. Due to insurance fraud, insurance companies incur a heavier financial burden and beneficiaries have to pay higher premiums as a result of this burden being reflected to the policies of honest policyholders.

One the types of insurance fraud is self-mutilation. In this study, a self-mutilation case for insurance claims shall be analyzed and suggestions shall be submitted.

Studies of insurance fraud have typically focused upon identifying characteristics of fraudulent claims, and this focus is apparent in the current wave of forensic insurance and data-mining technologies for insurance fraud detection. The results of the study suggest that an occupational focus on the practices of insurance fraud investigations complement and enhance forensic insurance and data-mining. This study also reveals that, in insurance fraud cases, collaboration with forensic insurance experts is very important and effective.

Keywords: Forensic; Fraud; Insurance; Self-mutilation

Introduction

Insurance fraud may be defined as intentional deceit of an insurance company by a beneficiary with goal of earning financial gains before or after issuing of the policy. It may occur in many types. One of the insurance fraud types is self-cutting of the insured for insurance claim. However, it sounds unbelievable, it is a fact which is getting more prevalent day by day.

In this study it is aimed to provide an overview of the type, scale and impact of insurance fraud in Turkey, and particularly self-cutting for the insurance claim over a case study.

Insurance fraud has an impact not only on insurers but also on the insureds. Therefore, reducing and deterring the insurance fraud is significant, and it is also aimed to offer the actions to reduce insurance fraud in this study.

What is Insurance Fraud?

In Turkey insurance industry is one of the sectors where fraudulent activity by individuals aiming to make unearned gains, just like in the rest of the world. Insurance fraud may be defined as intentional deceit of an insurance company by a beneficiary with goal of earning financial gains before or after issuing of the policy. It may occur by means of hiding an important fact that might change the decision of the insurance company or by means of false reporting.

Insurance fraud poses a big problem not just for insurance companies and also for honest policyholders. Insurance fraud is not victimless. It pushes up the cost of insurance for honest insureds. Due to insurance fraud, insurance companies incur a heavier financial burden and beneficiaries have to pay higher premiums as a result of this burden being reflected to the policies of honest policyholders.

Insurance fraud is deemed acceptable to many policyholders, with 20% of surveyed individuals admitting they would consider submitting an exaggerated or fabricated insurance claim in the future [1,2].

The examples of observed insurance fraud may be counted in non-life insurance category; in health insurance category, in life insurance category, in personal accidents insurance and also disability insurance category. In disability insurance category, there may be also an extreme example: Self-cutting for the insurance claim. It may sound unbelievable but it is a fact!

Self-mutilation means direct and deliberate destruction of one's own body tissue without intending suicide [3]. Some of the forensic referrals are the fraudulent persons who wish to obtain insurance benefits by simulating self-induced harms as injuries due to accidents [4].

The majority of the self-mutilator individuals have some psychiatric disorders, such as personality disorders, and many have a past history of suicide attempts [5]. Although SM individuals do not have psychiatric problems apparently, they have specific personality disorders [4].

Cutting is the most preferred method of self-injury used by forensic referrals [6].

Forearms, wrists, arms, front of the torso and legs on the opposite side of the dominant hand as well as forehead are common areas for self-injury [6]. In our case, self-mutilated parts of the body are fingers.

Materials and Methods - The Case

In this study a self-mutilation of fingers for the purpose of obtaining insurance payments shall be analysed (Table 1). The case is referred to the legal case which we are faced while working for an insurance company.

Insured Person	52-year old man, retired theatre player/actor, right-handed
Date of Policy Issued	20.02.2009
Date of Risk (Accident)	03.03.2009
Description of Disability	Loss of left hand ring finger and little finger
Coverage Amount	TRY 250,000 (~150,000 USD)

Table 1: Details of insured person.

Retired theatre player, insured person has submitted a petition to the insurance company, and stated that he went to his friend's workshop with his wife, and he accidentally trapped his hand to a wood cutting blade and then he was taken to the hospital

and finally lost his left ring finger and the left sparrow thus he suffered disability claim due to loss of fingers.

Some suspicious events and phenomena have emerged in this process, while making claim assessment. The insurance claim of the insured has been rejected by the insurance company for the following reasons:

- There are contradictions about the way the accident occurs. It has been interviewed by the insured's spouse and she informed the insurance company that they live apart for one year.
- The workhouse owner denied that he knew the insured person.
- The insured person has issued more than thirty insurance policies from many insurance companies shortly before the injury date.

The insured person that his claim for compensation is rejected has filed a law-suit against the insurance company for the payment of the refused insurance claim. The court of law decided to pay compensation for the insured with the reason that the insurance company cannot prove its claim. The court ruling was appealed by the insurance company.

The insurance company also filed a criminal law-suit against to the insured person on the grounds that it was an insurance fraud. In the criminal case, the court found that it was contrary to the normal life cycle that someone cut off his finger to get insurance claim and found insured person not guilty on the basis of insufficient evidences against him.

The Supreme Court has issued a different ruling on the request for the payment of insurance claim, in spite of the judgment of the criminal court, that criminal court decisions will not bind the civil court. The Supreme Court Personal Accident Insurance has suspected of the abuse of insurance and based on Article 5/d of the General Conditions, "insurance claims will not be paid if the insured finds himself in movements that would even expose him to severe danger" and emphasized that "the fact that the two fingers break during the operation of using the whipsaw machine, which is a dangerous machine and which requires the use of knowledge, experience and even talent" is not covered by the insurance". The fact that the Supreme Court, which cannot withstand insurance fraud because it was acquitted in criminal proceedings, tries to put it in force under general conditions of insurance, can be interpreted as observing insurance fraud.

Prejudices that it is contrary to the usual flow of life that individuals are doing harmful acts to themselves for money, can be unfair sometimes. Just as someone who is harmful to his or her health for money is considered against normal life flow, it is also necessary to consider against normal life flow that a person who has not previously had an insurance habit to take out insurance

from 30 insurance companies some time ago.

Similar Cases in the Other Countries

In Germany

In northern Germany [7,8], a 50-year-old insurance salesman sawed off his own finger and thumb to claim insurance. He had qualified as an insurance salesman shortly before the ‘accident’ in February 2010 and took out three separate insurance policies - with special clauses covering finger injuries - for himself shortly before the accident, with a total amount £1.2 million.

He claimed his finger and thumb were lost when he tripped and fell over his two dogs onto a circular saw. Insurance company rejected the claims payment on the basis of insurance fraud. In the judgment process, the forensic expert specified that it was “particularly astonishing” that the rest of his hand remained relatively intact, and he added that the neat wounds to his hand were inconsistent with his story, and the forensic insurance expert specified in his report that it was ‘particularly astonishing’ that the rest of his hand wasn’t mangled. One of the interesting points was that there was “very little blood” when police searched the basement for insured person’s missing digits.

The insured person who cut off his own finger and thumb to claim £1.2million in compensation has been found guilty of insurance fraud, the court gave him a 22-month suspended sentence.

The case of a self-amputation of the left-sided forefinger is presented. It was an isolated smooth amputation near the basic ankle of the finger without any accompanying injury of other fingers. The victim (a physician) claimed financial compensation from his accident-insurance; his contract included special disability taxes for finger injuries. However, the insurance company did not pay but was able to demonstrate-by means of a medico-legal reconstructive expertise that the amputation was voluntary and self-inflicted. The argumentation concerning self-mutilation is presented (including the so-called execution-position of the finger and ergonomic aspects). Concerning the surgical care, intervention and diagnostic procedures a detailed documentation of the case history and the morphology of the injury pattern are recommended (especially in isolated finger-amputations of the non-working hand [9]).

In Iran: Hedjazi A et al. [4]

- a) **Case 1:** A 49-year-old man who was unemployed, single, right-hand dominant, with high school education and low socioeconomic status was referred to the forensic medicine centre examination unit with the complaint of right-leg shin injury and pain.
- b) **Case 2:** A 30-year-old man who was a driver, single, left-hand dominant, with high school education and middle socioeconomic status was referred to the forensic medicine

centre with the complaint of right-leg shin injury and pain.

- c) **Case 3:** A 27-year-old man who was a driver, single, right-hand dominant, with high school education and middle socioeconomic status was referred to the forensic medicine centre with the complaint of left-leg shin injury and pain.
- d) **Case 4:** A 28-year-old man who was a private company employee, married, right-hand dominant, with high school education and middle socioeconomic status was referred to the forensic medicine centre with the complaint of left-leg shin injury and pain. He claimed the mentioned injury was due to a car accident (motorcycle-car crash).
- e) **Case 5:** A 48-year-old man who was a shopkeeper, married, right-hand dominant, with high school education and middle socioeconomic status was referred to the forensic medicine centre with the complaint of left-leg shin injury and pain.

These five cases of self-mutilation for the purpose of obtaining insurance payments were referred to the Forensic Medicine Centre of Fars province, southwest of Iran, in order to obtain medico-legal and psychiatric opinions.

All of the five patients claimed persistently that their injuries were due to a car accident (as a driver or a back-seat passenger). The key features that assist in identifying self-inflicted incised injuries are the superficial nature, harmlessness of the cuts in addition to localisation on body sites where the effect can be predicted safely, localisation of the injuries on the side opposite the dominant hand and the used instruments [4,10].

In Iran cases study, it is observed that when evaluating a questionable patient suspected of attempted insurance fraud, it is very important to take all available data including traffic police reports, psychological interviews especially prior history of social problems, violence and impulsive behaviours and the mental health examination of the patient into consideration. It is suggested that the physician should ask accurate questions about the way; and attention should be paid to the local circumstantial evidences at the scene.

Results and Discussion

However, it sounds unbelievable, self-mutilation cases for insurance claims attention are the reality.

Insurance companies fight rigorously to tackle and prevent insurance fraud in Turkey and in the world as well. In Turkey, insurance companies get consulting from different medical consultancy firms to verify the existence of disability reports as well as the disability rate in reports or to determine cause-effect relations between a disability or death and a specific accident. Companies may get consulting from actuaries as well. But one of the which should remember is, forensic insurance experts are also the actor of this cases, and the insurance companies may benefit

from their professional knowledge and experience.

In order to effectively combat the insurance fraud, a common platform should be formed, a single scheme should be used for calculations, and there should be increased collaboration between law enforcement agencies, insurance companies and the Ministry of Health and more importantly public awareness regarding insurance fraud should be increased.

While tackling with the insurance fraudsters and reducing the fraud cases, the insurance companies need to benefit from the forensic insurance experts' professional knowledge.

It is suggested that the physician and the other related experts should ask accurate questions about the way. Pay attention to the local circumstantial evidences at the scene should be very effective to put out the insurance fraud cases. Insurance policies from many insurance companies particularly shortly before the accident may be significant indicator of insurance fraud as well.

It could be argued that liars in organised criminal networks may be willing to prepare and execute lies for each other (e.g. falsely claiming to have witnessed the fabricated event). In such cases, investigators could ask the interviewer (s) to demonstrate they were together when they claimed to have been together [2].

Overall, detection and reduction of insurance fraud is a priority not only for insurers but also for insured persons. The main victims are not insurance companies, but honest insurance holders who finance the insurance fraud with exorbitant premiums they pay. The insurance sector should reinforce its internal systems and inspections to detect and prevent all forms of fraud in both the insurance and the compensation claim process.

Information campaigns should be organized in order to raise awareness in this regard and to remove the demonstration of toleration against insurance fraud.

A common insurance fraud counterintelligence and notification centre should be established and the existing structure should be made more functional. A central database should make it possible to share information about suspected insurance fraud between insurance companies, security forces and other financial institutions. By sharing data more effectively and taking a more robust approach to fraud prevention, aggregators could stop fraudulent applications.

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