Fraudulent Intentions in Insurance

- A Matter of Human Psyche?

Fraud, as a fashionable tool of economic sophistry, is perhaps the most dangerous motivator in the modern context opines Arman Oza. He further emphasizes 'it does not merely justify a wrongdoing; it accords virtue to it'.

"Nothing is easier than self-deceit. For what each man wishes, that he also believes to be true."

- Demosthenes

Fraud and deceit have perhaps been the oldest vices man has possessed. The Mahabharata is a classic portrayal of how these vices entangle even the fundamentally virtuous people and thereby destroy the

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play have accompanied mankind since ages and one has never been quite sure as to who has been the clear winner - or

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society. It also vividly depicts the super-human power and commitment required to conquer these vices. Battles between dishonesty and fraud; deceit and fair-

as to who is winning and who is losing. The battle nevertheless has to be fought; and fought tooth and nail. In India,

loser. The fight nevertheless has continued.

In the modern sense, the demographic and geographic convergence of

provide a definition of the term 'Insurance Fraud', a fraudulent claim, which is practically considered to be synonymous with insurance fraud in general, has been defined as a claim where the insured has

- Made false statement of fact
- Made statements knowing them to be false or not believing them to be true or that he has made them recklessly without caring whether they were true[2].

payable when it actually falls under some exclusion.

- Manipulation done with intent of morphing an uninsured person or

damage or harm to that person in body, mind, reputation or property, is said to "cheat".

Explanation- A dishonest concealment of facts is a deception within the meaning of this section."[3]

The term 'fraudulently' for this purpose has been defined as "A person is said to do a thing fraudulently if he does that thing with intent to defraud but not

state code has an enactment dealing with insurance fraud. Insurance fraud is exhaustively defined to include not only false representation on material

otherwise."[4]

In the US where the issue o fraud is apprised overtly, al

(NICB). Now entering its 90th year, it is supported by approximately 1,000 property/casualty insurance companies

(CAIF), when asked for reasons why people might commit insurance fraud, about two-thirds of the respondents said that insurance premiums increase

motor third-party claims is promotin fraud and is resulting in unju enrichment of vested interests. Judicia

facts pertaining to claims bu relation to obtaining or re insurance coverage. Another i aspect of US legislation on in

Fraudulent clai equilibrium of the in make it unviable. F