

## Northwood/MJM INVESTIGATION SERVICES

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Northwood/MJM is a licensed, insured and bonded private investigation company. In June 2006, Northwood & Associates Inc. merged with MJM Inc., a leading US investigations firm, a partnership that expanded our international capabilities. We now have coverage in approximately 100 countries.

The Adjudicator Bulletin, our second issue, is directed to our valued Life & Health clients.

In this Issue we will cover:

- Death Claims - A Case Study
- Proof of Death Documents - India
- Clinic Audits
- Claimant Interviews
- Travel Claims

Death Claims, both contestable and non-contestable, are one of our specialties. In our experience, an alarming percentage of foreign death claims are either fraudulent or contain misrepresentations. A thorough investigation can enable clients to either deny the claim, or negotiate a substantially smaller settlement.

**All claims investigated by our team in the following countries were found to be fraudulent:**

- Cambodia
- Egypt
- Ghana
- Haiti
- India
- Iraq
- Jamaica
- Kenya
- Pakistan
- Philippines
- South Africa
- Uganda

## DEATH CLAIMS

Our specialty in death claims investigations required our investigators to travel to the following countries in 2006:

- Ghana
- Grenada
- India
- Kenya
- Cayman Islands

### A Case Study - Ghana

The following case study illustrates the benefits of conducting an in-depth investigation.

On April 4, 2003, the Insured, a Canadian of Ghanaian descent vacationing in Ghana, allegedly died as a result of malaria. The beneficiary submitted the following documentation to support the proof of death:

- Death Certificate
- Extensive video of the funeral

The beneficiary was interviewed in Canada. A number of red flags materialized including a lack of travel documentation. Nevertheless, the presence of the funeral video seemed to support the death. Initially, contacts of Northwood/MJM were used in Ghana to verify the validity of the claim. It was found that there was indeed a grave with the Insured's photograph and date of birth. The lack of a date of death was explained by the family as being part of their culture. However, it was found that the Insured did not die at her home in Ghana as alleged by the beneficiary, nor did villagers in the region know her. Furthermore, paperwork associated with the death registration was completed incorrectly. The claim then entered litigation.

In November 2006, it was decided that an investigator from Northwood/MJM would travel to Ghana to confirm whether the Insured was indeed deceased. By reviewing the funeral video, we were able to trace ownership of the vehicle used to transport the Insured's body to the cemetery. In turn,

this led us to the hospital where we learned that the Insured had died, however in October 2001, five months before the policy was issued.

*It is important to note that, even when faced with strong proof of death documentation, the claim can still be fraudulent.*

## PROOF OF DEATH DOCUMENTS

### A Disturbing Fact – India


In 2006, an investigator of Northwood/MJM travelled to India to investigate five claims. Four were found to be fraudulent. In one investigation, the beneficiary (residing in Canada) was interviewed and presented with substantial proof that his deceased mother was alive and living in the Punjab. He confessed that he had engaged an "agent" advertising his services in the Punjabi newspaper "The Chardi Kalaa," which is available in Canada. These services included the agent securing "official" government forms, which in this case consisted of an official Punjabi government issued Death Certificate, an official notification of death from the village Leadman and a Physician's Proof of Death Statement.

*The fact that "agents" are advertising services in Indian newspapers that assist beneficiaries to secure official documentation which is then used in a fraudulent claim is disturbing. This type of organized fraud can present enormous losses for the industry.*

## CLINIC AUDITS

Northwood/MJM is focused on providing expert investigation services to our clients in a manner that minimizes losses and realizes a positive return on your investigation investment.

We are focused on value driven results and innovative investigation solutions. Our



clients have long realized that when trying to combat insurance fraud they must also look at those who provide services to the insurance industry, in addition to the insured.

Northwood/MJM has developed a clinic audit program that is innovative and driven by our clients' objectives. Our multifaceted approach provides a return on investment through the following key elements: customer service, fraud detection, fraud prevention, fraud awareness, and fraud education.

The customer service objective ensures that clients are receiving qualified treatment. Through fraud detection, we determine which clinics are operating inappropriately. The fraud prevention component increases the likelihood that the clinic is less likely to commit fraud with that Insurer. The fraud awareness component shows clients and clinics alike that the insurer is proactive. And finally fraud education demonstrates to clinics and clients the abuse that is evident in our medical system.

Our clinic audit program included identification of:

- billing for services not rendered;
- excessive or inappropriate billing;
- payment confirmation;
- treating outside scope of practice or coverage;
- identifying unlicensed treatment providers;
- identifying kickbacks or referral payments;
- identifying overt utilization and all over treatment programs; and
- money laundering.

All clinic audit techniques used are legal, ethical and professional.

Through greater detection, prevention awareness and education, insurers can minimize their claims costs and reduce their financial exposure to fraud. This is how Northwood/MJM assists our clients to strengthen the value of insurance.

### **CLAIMANT INTERVIEWS**

*A Valuable Tool When Conducted Properly*

Claimant interviews are conducted by our experienced staff who will attempt to assist the adjudicator by providing firsthand observations of the Claimant during the interview. These observations can reveal discrepancies or malingering.

At Northwood/MJM we have found this avenue of investigation both an economical and insightful option for the claims professional.

Relying on our many years of knowledge in the area of Claimant interviews, we pose a broad range of questions covering many essential areas, allowing our clients to arrive at an informed decision.

Our Claimant interviews address the following factors:

- claimant and family background information;
- pre- and post-disability job descriptions;
- work environment;
- undeclared employment income;
- medical treatment history; and
- frequency and effectiveness of current disability treatment.

In addition, Claimant interviews allow us to:

- ascertain if prescribed medications are being taken;
- assess level of motivation and articulate perceived barriers;
- assess lifestyle and character habits; and
- review options to resolve claim.

An effective Claimant interview will provide the claims adjudicator with current information to re-evaluate their exposure or redirect their approach in handling the claim. For example, we have found that surveillance is more often effective when conducted in conjunction with a Claimant interview. We offer our clients the option of completing an interview with or without a signed statement from the Claimant. A signed statement of fact is always preferred when the Claimant has under-reported his physical capabilities and daily activities.

A careful examination of the physical aspects presented to our investigators during the interview can lead us to useful information. Consideration is given to the following:

- dirty, grimy, cut or callused hands, especially on those of a disabled tradesman;
- multiple phone calls for the Claimant during the interview;
- vehicle plates and signage on the property;
- signs of home renovation or extravagant purchases;

- prescription bottles that contain unused medication; and
- lack of availability to initiate or follow up with the interview

An in-home visit with your Claimant will provide you with a cost effective tool to gauge the status of the long-term disability claim. One of our representatives will be happy to conduct a no-charge review of your claim file.

### **TRAVEL CLAIMS**

Throughout 2006, we have seen an increase in fraudulent or exaggerated travel claims. We are finding that an average claim is between \$8,000 to \$12,000, and that claimants are utilizing "fishing" methods. Should a fraudulent claim be paid by an Insurer, the claimant will send in repeated claims and/or advise associates of the "fishing" success. By using our extensive network of investigators/consultants, we are able to verify the legitimacy of the hospital/clinic records and the treatment/drug receipts in a cost effective method. In 2006, we discovered fraudulent or exaggerated travel claims in the following countries:

- Cambodia
- Lebanon
- Nicaragua
- Iraq
- Myanmar
- Nigeria

### **Services & Feedback**

*Services:* Members of our management team are regular speakers at seminars relating to various aspects of insurance fraud and have introduced procedures aimed at preventing and detecting such fraud. We would welcome the opportunity to speak at your organization at "lunch and learns" or through mini-seminars.

*Feedback:* We welcome your comments and feedback on the Adjudicator Bulletin. Please email us at: [research@northwood-pi.com](mailto:research@northwood-pi.com)

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