CASE CHART

THE MASK OF ZORRO

EXCESSIVE LOSSES GENERATION (expense items overstatement)

Vehicle service station (VSS)
Give You a Ride LLC

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Independent adjuster
InsurGuarant LLC

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Medical facilities
Heal You Up! LLC
Pro Health LLC

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Mrs. Rabbit
(Loss Adjustment Department)

- Loss overstatement through adjusting VSS calculations and accounts
- Excessive loading of affiliated VSS
- Intentional overstatement of the total loss events (MOD)
- Vehicle salvage sales through affiliated companies

Mr. Quack + 2 employees
(Voluntary Health Insurance Department)

- Understatement of return/refusal percentage by medical facility invoices
- Overstatement of the number of medical facility partners to complicate assurance procedures

METHODS AND MECHANISMS FOR FRAUD CONCEALMENT

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Mr. Perelman
(Actuarial Accounting Department)

- Understatement of calculated insurance reserves and, as a consequence, Loss Ratio
- Misrepresentation of insurance book data

Mrs. Rabbit + **Mr. Quack**

- Misrepresentation of insurance book data
- Misrepresentation (in the information system) of KPI values of both full-time employees from their departments and outside adjusters

RESULT

Rising loss adjustment costs (including excessive payments) for business lines:

- VHI
- MOD

Considerable excess of actual Loss Ratio over the scheduled one:

81% **VS.** **73%**