

# CLIENT ALERT!



## ICBC WINS ANOTHER LARGE AWARD AGAINST INSURANCE FRAUDSTERS

ICBC recently proved yet again that insurance fraud is a risky business that can backfire badly on the fraudsters.

ICBC sued many individuals, alleging a scheme carried out during 1998-2001 to defraud ICBC by staging motor vehicle accidents. The case went to trial in the summer of 2007, with 6 defendants participating in the trial and 5 other co-defendants not attending trial or defending themselves. The total of all amounts awarded to ICBC against 10 defendants will exceed \$500,000.

The Court found that the defendants, many of whom were closely associated to each other, caused 12 motor vehicle collisions intentionally in order to make insurance claims to ICBC. In most cases the people involved pretended that their vehicle had been struck by a stolen vehicle and that the thief had then fled the scene on foot, leaving two damaged vehicles behind. The claims were paid by ICBC as legitimate insurance claims at the time, but ICBC investigators discovered the pattern later on.

In a judgment released on February 29, 2008, the Court found that every one of the subject collisions in fact was a staged accident, and found liability and damages against all but one of the defendants. ICBC obtained awards in four categories: ICBC had paid out \$256,204.83 with respect to the staged accidents and those amounts were awarded as damages, including interest on those amounts. ICBC also obtained awards against the defendants for its cost of investigating the frauds, which totaled \$86,483.25. ICBC also received individual punitive damage awards of between \$3,500 and \$75,000 against the defendants, for a total of \$167,000. ICBC's legal costs and disbursements also will be paid by the defendants, and those amounts will be determined later.

**FOR MORE INFORMATION, CONTACT MICHAEL HEWITT OR IAN JONES, COUNSEL FOR ICBC IN THIS LITIGATION.**

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