

FRAUD – A DANGEROUS TEMPTATION IN INSURANCE INDUSTRY

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Abstract *The insurance activity, transformed today in a real industry, is an important form of the tertiary financial domain of economy. We are dealing with the psychological aspect of this activity, because by human nature, when it comes to money, people are tempted to avoid the rules, the regulations, all this, for the advantage and gain of the consumer (revenues > costs). The fraud is considered a form of economic criminality, because the act itself leads to losses in the market, both for the provider of the service and for the beneficiary of the damages produced. Worse, the negative impact falls upon the financial field and, finally, upon the economy. We think that the amplitude of this phenomenon firmly imposes decisions in order to reduce this natural temptation for some people to fraud and to obtain undue advantages. [8]*

Keywords: fraud, insurance domain, avoidance rules

JEL Classification: G22, K4

1. The general frame for fraud in insurance

In the insurance market runs the hypothesis that there is room for everyone, so in Romania and not only, there are many people working in this industry, but unfortunately, a lot of them are not well prepared, counting on the fact that they will learn from experience, therefore a lot of mistakes are made, from drawing up insurance policies to compensating in case of damages.

Returning to the core of this article, which has the purpose of covering the criminological aspects, we will try to explain why there is this temptation to commit fraud in this area.

The insurance system has its origins in ancient times, before the Christian era, in Orient, and afterwards was taken by the Greeks and Romans. First known forms of insurance are the maritime ones, area in which were also recorded the first forms of fraud. The historian Titus Livius reports an interesting event: during the fight against Carthaginian General Hannibal, the Public Treasury of the Roman Empire undertook to pay the weapon suppliers any losses that may have occurred as a result of the sea journey, but one of the suppliers, Postumius, took advantage of this facility, taking more sinking old ships loaded with commodities without value.

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