

Capital Insurance Agency of WI – Brookfield, WI

Am I Protected Against Insurance Fraud?

What Is Fraud?

Every person who assumes the responsibility of carrying insurance to protect against their liability to other and to protect their property is affected by insurance fraud. While you and your insurer may disagree about a number of issues; when it comes to fraud; you are both victims. But you are not helpless victims. As an insurance consumer, it is important for you to know some basic information that may protect you from becoming a victim of insurance fraud.

The American Heritage College dictionary defines fraud as:

a deception deliberately practiced to secure unlawful gain.

In common terms, insurance fraud is lying to or deceiving an insurer in order to make money or to become insured. Some common fraud schemes include:

- * "Padding" (inflating the true amount of) a claim
- * Lying or hiding (concealing) important information when applying for insurance
- * Submitting false claims
- * "Staging" Accidents
- * Faking theft claims
- * Engaging in arson for profit

As a consumer, fraud should concern you since the cost is passed directly on to you in the form of higher insurance rates. You can play an important role in reducing fraud.

Fighting Auto Insurance Fraud

Persons attempting to commit insurance fraud often do so by deceiving innocent drivers during actual accidents or by involving innocent drivers in "staged" accidents. Do the following in order to minimize this risk:

- * Drive defensively, keeping space between you and surrounding cars
- * When traffic slows, begin braking before the car in front of you does
- * Be careful when turning into a lane that allows two or more autos to turn left at the same time.

Victims of insurance fraud are often people who float across the line when turning and then are intentionally sideswiped by a person who is "staging" an accident.

- * If you are in an accident, write down license numbers of all cars involved in the accident, get the

names and contact information of all persons involved and their insurers. Count the number of passengers in the other cars and get their names, addresses and any other pertinent information.

* Call the police and get a police report even if the damage is minimal. DO NOT let another driver talk you out of calling the police.

* Carry a disposable camera in your glove compartment and take pictures of the damage to the vehicles and of all drivers and passengers in the cars.

Fighting Homeowners Insurance Fraud

It is far more difficult to involve an innocent party in homeowner fraud. However a homeowner can help himself and help deter fraudulent claims by properly maintaining their home; removing or repairing items that could present trip hazards to outside parties. Also, if someone is hurt in your home or premises, be certain that you get full information and make certain that a person gets any needed treatment. Carefully document any incident, including all impressions about likely injury. Have a healthy skepticism over any information on medical bills or claims.

Report suspicious actions such as a friend who asks you to store valuable property and you then find that the person has reported a theft to his insurer or a fire has occurred at their home.

Think of insurance fraud as money out of your pocket-because it is. According to the US Chamber of Commerce, fraud adds 25% to property and casualty insurance rates.

If you are involved in an accident and you are suspicious that fraud may be involved, call the National Insurance Crime Bureau at 1-800-835-6423.