

## Red Flag Indicators of Catastrophe Fraud

### Indicators of Claim Related Fraud:

#### Insureds With Catastrophe Insurance Coverage (Earthquake, Flood, Hurricane, Etc)

- Insured declares extensive losses without physical evidence, photographs or documented receipts.
- Items claimed do not match claimant's life-style, décor, house, occupation or income.
- Lack of carpet indentation from alleged large furniture or appliances.
- Extensive commercial losses occur at site where few or no security measures are in effect.
- Insured is unusually knowledgeable regarding insurance terminology and the claims settlement process.
- Insured is overly pushy for quick settlement.
- Insured is willing to accept an inordinately small settlement rather than document all claim losses.
- On scene investigation reveals absence of remains of items claimed and normally found in a home or business. The following is a sample listing of such items: Kitchen – major and minor appliances; Living Room – television and/or stereo equipment, record/tape/cd collections, organ or piano, and furniture.

#### Insureds Without Catastrophe Insurance Coverage (Earthquake, Flood, Hurricane, etc)

##### Theft

- Affected area was not evacuated.
- Lack of security in area.
- No other homes were damaged or destroyed in the affected area.
- Name or address on receipt does not match insured name and/or address.
- Insured has no documentation or receipts (stolen, damaged or thrown out).
- Insured had all cash purchases.
- Insured claims items were new.
- Insured can't properly describe items as to function or features.

##### Fire/Flood Losses

- Insured property was not located in major damaged area.
- Property was in poor condition prior to loss.
- No other homes or businesses were damaged or destroyed by fire or flood in the affected area.

##### Landlords

- Although the renter maintains a tenant police, landlord claims tenant's contents.

## Indicators of Property Repair Fraud:

### Contractors/Providers

- ❑ Do not maintain a local office and/or have a local telephone number.
- ❑ Are not able to provide references.
- ❑ Want “cash” or payment up front.
- ❑ Have inadequate equipment to perform job.
- ❑ Arrive at loss site without being solicited.
- ❑ Offer below market prices . . . “too good to be true”.
- ❑ Offer cash incentives to get the job.
- ❑ Estimate is very general . . . lump sum.
- ❑ Are not bonded or are underinsured, and are not licensed or are newly licensed

## Indicators Associated With the Claims process:

- ❑ Insured unable to provide proof of identification and/or home ownership.
- ❑ Insured over-documents losses with a receipt for every item including older items of property.
- ❑ Insured cannot provide receipts, cancelled checks or other proof of ownership for recently purchased items (i.e. warranty information, user manuals)
- ❑ Insured provides numerous receipts for inexpensive items, but no receipts for items of significant value.
- ❑ Insured provides receipt(s) with incorrect or no sales tax figures.
- ❑ Insured provides receipt(s) with no store logo (blank receiver).
- ❑ Loss inventory indicates unusually high number of recent purchases.
- ❑ Insured cannot recall place and/or date of purchase for newer items of significant value.
- ❑ Insured indicates distress over prospect of an examination under oath.
- ❑ Insured cannot provide bank or credit card records for recent purchases of significant value.
- ❑ Insured provides receipts/invoices from same dealer that are numbered in sequence.
- ❑ Insured provides receipts from same supplier with sequence numbers in reverse order of purchase date.
- ❑ Insured provides two different receipts with same handwriting or typeface.
- ❑ Insured provides single receipt with different handwriting or typeface.
- ❑ Insured provides credit card receipts with incorrect or no approval code.
- ❑ Insured claims the identical items under different policies or with a different insurance company.