

Did a theft really occur? **RED FLAGS** for Vehicle Theft Fraud – a six part series presented by ProNet Group

Part #5

Issues Related to the Insured

In the July segment we discussed issues related to recovery. This installment of the six part series "Did a theft really occur?" examines red flags related to the insured.

INTERVIEW

When a legitimate loss occurs, the insured will normally remember details about their activities at the time of the loss. When speaking about the events leading up to the discovery of the loss, details will flow naturally from the insured. The question: "Tell me what happened?" will yield most of the details. Often, the insured will speak quickly, repeating details, holding back nothing and generally assisting with the claim. Going back over the details with a legitimate claimant will produce consistent answers and with such a loss, the insured will not hesitate to answer "I don't know" if that is the case.

With a fraudulent claim, the insured may seem helpful, but is actually relating a contrived story. When asked to repeat details, the story may change or grow. A reference to an unidentified person somehow involved, or details suddenly recalled could be indications of fabricated statements. On some occasions, when questioned again at a later time by a second interviewer, new or different information may be obtained.

Another indicator may be short responses to questions such as:

What happened? "I went out, my car was gone."

What did you do next? "I called the police".

The insured will continue to give the shortest answers possible with very little detail – and this is a potential red flag to observe.

A quick and partial list of important information to attain during the interview includes:

- What time did the loss occur and/or was discovered?
- What was the location of the vehicle when last seen?

- Who had access to the vehicle?
- Was the vehicle locked?
- Are all keys accounted for? (including the valet key)

MOTIVE

The primary reason for an owner give up is financial. A primary reason is because the owner is behind on payments or otherwise strapped for cash. However, additional reasons could be that the vehicle is costing too much to operate, especially during times of rising fuel prices. Other motives include costly mechanical failures or severe damage and collision repair. ***A thought to remember.*** A collision claim may have been paid by another insurer when your insured was not at fault.

VEHICLE CONTENTS

When the vehicle is recovered quickly, look for photographs, receipts, books, clothing, eye glasses, medications and other personal items. The presence of such items indicates that the vehicle was being used regularly. Be sure to check dates on receipts and other documents. Information on receipts, such as date/time, location, or type of purchase may be important.

The insured may report that large items such as computers, sports equipment, tools or even cash were in the vehicle when it was stolen. Aftermarket components may have been removed, but wiring, brackets or other evidence that the components were installed may be present. Verification of purchase of installed and other components is recommended.

VEHICLE KEYS

Most late model vehicles are equipped with transponder based anti-theft systems. These systems are extremely secure, so much so that in some models the mechanical key has been eliminated. Short of towing the vehicle from the theft site, it is virtually impossible steal most modern vehicles without access to a proper key. Many vehicle owners are aware of this and may admit that a key was in the vehicle at the time the theft occurred, or that a key had been lost or stolen prior to the theft. Remember, all vehicles are equipped by the manufacturer with two keys, and some with a third key, normally the valet key.

Kurt Stevens

Stay tuned for the September issue of *TASIU Observer* as we discuss Red Flag #6: General Issues Concerning Vehicle Theft Fraud.

For the full article, or if you have any questions or comments, please contact Kurt Stevens with ProNet Group at kstevens@pronetgroup.com, or 800-216-7268. Email and/or phone consultation is encouraged as questions can be quickly answered. Additionally, a course of action may be recommended.

ProNet Group has been providing vehicle forensic consulting and property and vehicle fire O&C investigation services to the insurance industry since 1990, covering the entire state of Texas and the U.S. Gulf Coast Region.