

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

Part #6

General Items

In the August segment, we discussed issues related to the insured. Our final installment of the six part series “Did a theft really occur?” examines general items for red flags.

Why investigate vehicle fires?

First and foremost, if a vehicle is **EVER** involved in a fire, it is my professional opinion that it must be inspected. Generally speaking, many claims professionals assume that if the vehicle is reported stolen and recovered burned that the fire is incendiary in nature. However, it is the expertise and testimony of accredited professional investigators that the courts consider and rely upon. If the alleged theft is proved to be false and the claim is denied, then all the better. However, the theft is one issue. When the car is burned to the ground – that’s the total loss portion. Without a thorough fire origin and cause investigation, the claim cannot be wholly examined.

Subrogation

Secondly, subrogation potential is something that should be considered when dealing with a vehicle fire. **KEY NOTE:** Recalls declared by the manufacturer are not only based on known design flaws, but in many cases because insurance companies pursued investigations and determined failures.

Other vehicle claims that may require an expert evaluation

Lastly, in this trying economy, insurance companies have been faced with not only the alleged theft of a vehicle that is nearly impossible to steal, but alleged flood claims, hail damage claims and vehicles involved in an uninsured motorist claim. Remember, statements are crucial and should be obtained at the onset of a claim.

These types of claims are rising at an alarming rate and should be carefully scrutinized. If you are unsure of the circumstances, investigate further!

Series recap

This six-part series has addressed red flags regarding vehicle thefts. Factors to consider include:

#1: Related to Reporting

#4: Related to Recover

#2: Related to Coverage

#5: Concerning the Insured

#3: Related to the Vehicle

#6: General Items (subrogation, e.g.)

It is estimated that fraud will cost the insurance industry over \$80 billion in 2009, according to the Coalition Against Insurance Fraud. Vehicle fraud is a significant part of that number. Personal and commercial vehicles are more expensive to purchase, more expensive to maintain, more expensive to fix and more expensive to replace. Vehicle thefts have decreased because anti-theft technology has improved – DRAMATICALLY. Yet, the cost of fraud and cost of vehicle theft payouts have increased – DRAMATICALLY.

Lastly, from a fiscal perspective, the cost savings of forensic investigations versus the payout of fraudulent claims is on the side of forensic investigations. Forensic investigations are important for you, the insured, and the insurance industry.

Fraud is more prevalent than ever and more difficult to identify. Rely upon trained vehicle forensic experts. Our job is to conduct thorough investigations and provide answers. Our concern is not what is and is not covered; our concern are the facts and evidence that is compiled to lead to answers.

Raymond Thompson

For the full article, or if you have any questions or comments, please contact Ray Thompson with ProNet Group at rthompson@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.