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Tall tales for insurance adjusters

No trouble spotting these bogus claims

It never fails to amaze me how decent, law-abiding citizens become tempted to submit bogus damage claims when they believe an insurance company is going to pay the tab. According to the Insurance Bureau of Canada, insurance fraud is one of the most expensive white-collar crimes in Canada, with an estimated cost of more than \$1.3 billion annually.

The insurance industry estimates that 10 to 15 per cent of home, car or business insurance claims are fraudulent. Ultimately, we all pay for the fictitious claims, through higher insurance rates and inflated prices for consumer goods and services.

The Canadian Coalition Against Insurance Fraud (CCAIF) was established by industry stakeholders in 1994 to prevent and detect insurance frauds. Every year it publishes a list of the top 10 insurance frauds, featuring some of the most offbeat and oddball schemes of the previous 12 months.

Here are some of my favourites culled from the CCAIF list of homeowner frauds in the last few years. All the stories are true, but the names are omitted to protect the dimwitted:

THE LONGEST YARD: An adjuster interviewed a man at his house on a routine stolen boat claim. The insured said his 21-foot vessel was stolen from his locked garage. It didn't take a high-tech tool to discover this fraud just a measuring tape: The garage was only 18 feet long.

PHOTO FINISH: A flood in a man's basement caused extensive water damage. The insurance adjuster arrived on the scene and took pictures for his files. The photos showed a TV set, stereo and a few bags of clothing that would all have to be replaced. A contractor who arrived the next day also took pictures, but his told a different story. They showed three TV sets, two stereos and 40 bags of clothing. The claim was denied.

COPYCAT: A man moving into his new house dropped his television set and it tumbled down the basement stairs. The insurance company replaced the set with a new one. The insured bragged to a co-worker about the prompt and efficient service he received from his insurer. She told her husband who soon afterward called his own insurance company to report that he had dropped his set and taken it to the dump. Unfortunately for him, the same insurance adjuster handled both claims. He went to the dump and discovered that the make, model and serial number of the TV set in the second case were the same as in the earlier case.

ONE FOOT TOO LONG: A man's foot had been injured. His story was that as he was getting out of his car, a family member ran over the foot with a lawnmower. When an investigator showed up, he noticed that the driveway was substantially higher than the adjacent lawn, and that the man's story could not have been true unless his leg was 10 feet long. The claim was withdrawn and the insurance company never found out what really caused the injury.

BOGUS IN BOTH LANGUAGES: A beautiful piece of sculpture was stolen in a home break-in. Its owner filed two claims for the theft of the same sculpture one in English and one in French. Fortunately the claims adjuster was bilingual and spotted the scam.

SLIPPERY CHARACTERS: A man and woman were standing on the front steps of a house and bidding their hosts goodnight. Freezing rain had been falling during the evening, and the woman slipped and tumbled down the stairs. The party hosts were sued for damages under their home insurance policy. An investigator later discovered that witnesses to the slip-and-fall incident said they saw the man glare at his wife and tell her to act as if she was really hurt. Another heard him whisper, "Who knows, maybe we can make a few bucks from the insurance company." The company's response was as icy as the steps.

COMING CLEAN: A man said he was standing in his bathtub taking a shower when suddenly his whole house shook. He slipped and suffered a nasty injury. Apparently a passing motorist had lost control of his truck and slammed into the house. The local paper had carried a story about the accident. It quoted an eyewitness who was standing outside the house at the time and saw the whole thing. Unfortunately for the claimant, the eyewitness was the same guy who filed the claim.

THE INSURED HAD NO CLOTHES: A man said his clothesline was stolen from the backyard and with it all his clothes. The insurer paid up. That story inspired the man's friend, who also claimed his clothesline was stolen along with lots of expensive clothes. Before they got taken to the cleaners, the insurance company discovered that the man lived in a 12th floor apartment with no balcony. Claim denied.

A HUSBAND'S TEMPTATION: The adjuster was running down a list of standard questions with a couple that had been involved in a car accident. The adjuster asked the wife if she had been injured and she said no. Asked if he had been injured, the husband hummed and hawed for a moment. Then the wife jumped in. "He's thinking about it," she said. The adjuster is thinking about it, too.

If you're thinking about a good tale for your insurance company, think again. They've heard it all before and they're experts at scoping out bogus claims.

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