

Insurance Matters

Insurance Fraud Is A Real Crime With Real Time

(NAPSA)—Anyone who feels driven to submit a fraudulent auto insurance claim should think twice before committing such a crime.

Today's well-trained insurance investigators know that roughly 10 percent of all claims are fraudulent, so they're extremely vigilant. They're also equipped with sophisticated software programs that send out red flags when claims look suspicious, and they know just what to search for next.

For example, the National Insurance Crime Bureau (NICB) can identify at least 80 indicators that a claim may be fraudulent, from the length of an insured's policy coverage to the difficulty in contacting the policyholder to the car's history of mechanical problems to the vehicle's degree of customization and even its gas consumption.

Investigators from the NICB and the experts at GEICO know that fraud concerning auto thefts generally falls into one of four types:

- **Owner give-ups.** This is when a vehicle is reported stolen but later found burned, submerged in a lake or even buried underground. The owner has arranged the car's destruction to collect a claim settlement.

- **30-day specials.** In this case, the car is reported stolen and hidden for 30 days, long enough for the insurance company to settle the claim. Later, the car is often found abandoned and in need of extensive repair.

- **Export fraud.** After getting a bank loan for a new vehicle, the owner buys an insurance policy as expected. Then, the vehicle mysteriously goes missing. In reality, it's not missing; the owner has sold it



Some fraudulent claims are tracked as owner give-ups. The owner is generally responsible for destroying the vehicle, often by setting it on fire, in order to collect on a claim.

for shipment overseas. The owner collects both the insurance payment and the illegal sales price.

- **Phantom vehicles.** In this scenario, a person creates a phony title or registration for a nonexistent vehicle. The vehicle is then reported stolen and the "owner" collects.

Investigators and companies such as GEICO also keep watchful eyes on parts of the country where car thefts are more numerous. If you suspect fraud, notify police or GEICO (1-800-824-5404, ext. 3313). You can also report fraud to the NICB online or by phone at 1-800-TEL-NICB.

The company also notes that if policyholders are looking for ways to manage their bills, it's wise for them to contact their insurer and talk to a counselor about beneficial payment plans and coverage options. It's a better solution than facing fines, imprisonment and a criminal record for fraud.

To learn more, visit the Web site at geico.com.