



## PA INSURANCE FRAUD PREVENTION AUTHORITY

KNOW THE RISKS. KNOW THE PENALTIES.



### HOMEOWNERS AND RENTERS INSURANCE FRAUD

Homeowners and renters insurance fraud is committed whenever a person knowingly submits a claim on a homeowners or renters policy for more than the loss actually sustained or for a loss which occurred before the policy was purchased.

Common forms of this type of insurance fraud include:

- Overstating the value of stolen items after an actual burglary of a home or vehicle.
- Lying about the extent, cause, date or location of legitimate damage.
- Intentionally damaging property to make a claim.
- Staging a phony burglary, break-in or vandalism and faking the theft or damage of property.
- Making a claim for a loss which occurred before purchase of a policy or a loss that was already paid by another insurer through a prior claim.
- Asking a repairman to “cover the deductible” by increasing an estimate or bill.
- Fabricating supporting evidence, such as repair bills or receipts, often in collusion with a crooked contractor, plumber, repairman or insurance adjuster.
- Staging an accident and injury on the property.
- Falsifying or inflating medical bills for treating injuries.
- Concealing that a residence is used as a rental or in a commercial business on an insurance application.

Recent IFPA statistics on the incidence of homeowners and renters insurance fraud in Pennsylvania found that:

- Incoming complaints of homeowners and renters insurance-related crimes (“referrals”) from all sources in Pennsylvania were 10 percent of all referrals in 2014.
- Homeowners insurance-related crimes accounted for 16 percent of arrests in 2014.

### Typical Opportunistic Homeowners or Renters Insurance Fraud Scenarios

#### SCENARIO 1

A strong storm blew shingles off John’s house. When the insurance adjuster inspected the roof, John also said some siding was damaged during the storm, even though the siding had been damaged when John bought the house.

#### SCENARIO 2

During a trip to Philadelphia, Rebecca’s car was broken into. Her motor vehicle insurance paid to fix the damage done to the car. On her homeowners insurance claim, she said the items she lost were a lot nicer than they really were — a leather coat instead of a denim jacket — and she added a few extra items to the list she gave to her homeowners insurance company.

#### SCENARIO 3

Zeke’s big screen TV quit working, and then his home was struck by lightning. He told his insurance company the non-working TV had been damaged by the electrical storm.