



# Spectrum Investigations

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## Automobile

# Red Flag Warnings

## "Red flags" can help identify suspicious claims

There are numerous "RED FLAGS" that can raise suspicions regarding the validity of an alleged injury, claim or incident. While "RED FLAGS" can assist in evaluating a claim, only a THOROUGH INVESTIGATION can uncover all the facts. If you have doubts about an alleged claim or incident, please call our office. Our job is to assist you in verifying the facts of the claim.

### Auto Theft/Fire Fraud Indicators

- Cash purchase of late model or new vehicle
- Behind in payments to lien holder
- Out-of-state purchase
- Individual named as lien holder
- Insured has no bill of sale or the bill of sale is out of line with car's value
- Insured purchased vehicle overseas
- Insured cannot produce documentation of compliance with American EPA standards for his import auto (gray market car)
- Insured vehicle is a foreign make and the theft occurs within six months of being imported
- Recently duplicated or assigned title
- Counterfeit title documentation
- Insured claims expensive equipment and items
- Vehicle has poor reputation (defects, recalls, performance, etc.)
- Neighbors, friends and relatives have no knowledge of vehicle

- Car has not been seen for some time prior to the theft
- Insured wants to retain title to salvage
- Where applicable, loss takes place between issuance of binder and state mandated pre-inspection
- VIN (Vehicle Identification Number) of the damaged car does not match the VIN of the insured car or match the model shown in appraisal photographs
- VIN is inconsistent with NATB manual
- VIN plate is different than VIN on the title
- Vehicle was rebuilt
- Vehicle is recovered totally burned
- Claimant recently lost job and/or is having financial difficulties
- Vehicle make and model exceeds claimant's lifestyle
- Prior loss or salvage on vehicle
- Prior owner cannot be located
- Premium paid in cash
- Comprehensive coverage only
- Duplicate coverages
- Vehicle is recovered with no ignition or steering column damage
- Vehicle is recovered carefully stripped but lug bolts and washers are re-installed
- Vehicle is recovered with extensive body damage and no towing charges; vehicle remains drivable
- Had uninsured collision damage prior to the fire
- Vehicle is burned, but not stripped after being reported as "stolen"
- Vehicle registration/inspection/emission sticker is out of date
- Neighbors report insured tried unsuccessfully to sell the vehicle prior to the fire
- Engine has parts missing or does not appear to have been operable at time of fire

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- Insured was presented with high cost estimate for vehicle repair prior to fire
- Vehicle has been cited several times for equipment violations requiring extensive/expensive repairs
- Vehicle manufacturer refused to warranty high cost repair item
- Tires appear to have been replaced with used or bald tires
- No personal items are found in the vehicle
- Vehicle glove box is absent of any personal papers
- Spare tire was removed prior to the fire
- Fire occurs at a location where a slow response time from the Fire Department can be expected
- "Theft" of vehicle reported to police at or after the estimated time which fire occurred
- Cancellation notice was sent just prior to the loss

## Auto Collision Fraud Indicators

- All vehicles in accident taken to the same body shop
- Bodily injuries appear excessive compared to the auto's physical damage
- Body shop has history of high damage claims
- Appraiser/adjuster is threatened or offered a bribe for quick settlement
- Salvage or repair shop takes active interest in the claim
- Repair or installation bills are numbered consecutively or dates show work done on Sundays or holidays
- Two vehicles are involved with heavy damage to struck vehicle and relatively light damage to striking vehicle
- The striking vehicle is a rented car
- Prior medical history of claimant indicates similar injuries
- Accounts of the accident by drivers, passengers and witnesses seem rehearsed or are conversely inconsistent
- Appraisal photographs show only close-ups of the damage, but not enough of the car to identify make and model

- Car shows signs of previous damage
- Damage doesn't match type of accident claimed
- No police report or scene investigation by police
- Claimant's vehicle has several other collision claims
- Claimant has been involved in numerous other claims
- Attorney notice of representation is dated the same day as the collision

## Staged Auto Accident Indicators

- Accident occurs between intersections (i.e. in the middle of the block)
- Accident occurs in non-congested traffic conditions
- Claimant's vehicle has multiple passengers, claiming similar subjective injuries, using same doctors/lawyers
- Accident is a rear-end collision, caused by a sudden, unjustified stop by the claimant's vehicle
- Insured feels "set-up" by claimants or that collision was staged
- Claimant uses post office box or mail drop for address and refuses to provide physical address
- The claimant's vehicle is an older model
- The victim's vehicle is usually a newer, higher priced model
- The victim states he became "boxed in", preventing any attempt to avoid the collision
- Wiring to the brake lights of the claimant's vehicle appears to have been altered, tampered with or disconnected
- The rear end of the claimant's vehicle has been altered to sit lower than factory specs

- Claimant's work phone number is connected to an answering machine or an answering service
- The claimant's vehicle is usually under insured or uninsured
- Claimant can easily/quickly produce names, addresses and telephone numbers of alleged witnesses
- Claimant can easily/quickly produce the name and telephone number of their attorney
- Claimant insists on being transported to the hospital via ambulance even when paramedics advise it is not medically necessary
- Claimant insists on seeing his own medical "specialist"
- Claimant insists on using his own pharmacist, when other pharmacies are closer to his residence
- Claimant's doctor and lawyer have a history of involvement in bodily injury claims
- Location of doctor is inconvenient to claimant's residence
- Insured is eager to accept full responsibility for the accident
- Claimant can produce a videotape of the accident or the events immediately following the accident from an "unknown" witness

## Lost Earnings Fraud Indicators

- Claimant started employment shortly before accident occurred, or is self-employed
- Wage documentation is lost, not on letterhead or is handwritten or photocopies; includes questionable earnings; difficult to verify
- One or more element of claim is questionable: e.g. length of absence, rate of pay, income incompatible with claimant's residence
- Efforts to verify lost wage statement with employer raise doubts about employer's legitimacy or about the actual employment of the claimant
- A company name on a lost wage statement cannot be located, there is no record of said employee at the company and/or claimant's relative owns the company



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