Indicators of Vehicle Theft Fraud
Detection - The First Line of Defense

Most claims are legitimate, but some are fraudulent. Therefore, it is appropriate for the adjuster to review all claims for possible fraud. Determining the "fraud probability" of any claim is facilitated when the adjuster is familiar with various fraud indicators.

These indicators should help isolate those claims that merit closer scrutiny. No one indicator by itself is necessarily suspicious. Even the presence of several indicators, while suggestive of possible fraud, does not mean that a fraud has been committed. Indicators of possible fraud are "red flags" only, not actual evidence.

Some claims, although suspicious, may have to be paid for lack of conclusive evidence of fraud; however, they should be referred to ODI for further review.

All vehicle thefts and all sales of total loss salvage sold by your company or left in possession of the claimant at the time of total loss claim settlement should be reported to ODI. Total loss salvage should include the current and four preceding model years as well as older model years if the vehicle is an expensive sports car, a truck-tractor, or any other valuable or luxury vehicle.

- Insured has lived at current address less than six months.
- Insured has been with current employer less than six months.
- Insured's address is a post office box or mail drop.
- Insured does not have a telephone.
- Insured's listed number is a mobile/cellular phone.
- Insured is difficult to contact.
- Insured frequently changes address and/or phone number.
- Insured's place of contact is a hotel, tavern, or other place that is neither his/her place of employment nor place of residence.
- Insured conducts all business in person, does not use mails.
- Insured is unemployed.
- Insured claims to be self-employed but is vague about the business and actual responsibilities.
- Insured has recent or current marital and/or financial problems.
- Insured has a temporary, recently issued, or out-of-state driver's license.
- Insured's driver's license has recently been suspended.
- Insured recently called to confirm and/or increase coverage.
- Insured has an accumulation of parking tickets on vehicle.
- Insured is unusually aggressive and pressures for quick settlement.
- Insured offers inducement for quick settlement.
- Insured is very knowledgeable of claims process and insurance terminology.
- Insured's income is not compatible with value of insured vehicle.
- Insured claims expensive contents in vehicle at time of theft.
- Insured is employed with another insurance company.
- Insured wants a friend or relative to pick up settlement check.
- Insured is behind in loan payments on vehicle and/or other financial obligations.
- Insured avoids meetings with investigators and/or claims adjusters.
• Insured cancels scheduled appointments with claim adjusters for statements and/or examination under oath.
• Insured has a previous history of vehicle theft claims.
• Vehicle was purchased for cash with no bill of sale or proof of ownership.
• Vehicle is a new or late model with no lien holder.
• Vehicle was very recently purchased.
• Vehicle was not seen for an extended period of time prior to the reported theft.
• Vehicle was purchased out of state.
• Vehicle has a history of mechanical problems.
• Vehicle is a "gas guzzler."
• Vehicle is customized, classic, and/or antique.
• Vehicle displayed "for sale" signs prior to theft.
• Vehicle was recovered clinically/carefully stripped.
• Vehicle is parked on street although garage is available.
• Vehicle was recovered stripped, but insured wants to retain salvage, and repair appears to be impractical.
• Vehicle is recovered by the insured or a friend.
• Vehicle purchase price was exceptionally high or low.
• Vehicle was recovered with old or recent damage and coverage was high deductible or no collision coverage.
• Vehicle coverage is only on a binder.
• Vehicle has an incorrect VIN (e.g., not originally manufactured, inconsistent with model).
• Vehicle was a General Motors conversion diesel engine model.
• Vehicle VIN is different than VIN appearing on the title.
• Vehicle VIN provided to police is incorrect.
• Federal vehicle safety certification label is altered or missing.
• Federal vehicle safety certification label displays different VIN than is displayed on vehicle.
• Vehicle has theft and/or salvage history.
• Vehicle is recovered with no ignition or steering lock damage.
• Vehicle is recovered with seized engine or blown transmission.
• Vehicle was previously involved in a major collision.
• Vehicle is late model with extremely high mileage, (exceptions: taxi, police, utility vehicles).
• Vehicle is older model with exceptionally low mileage (i.e., odometer rollover/rollback).
• Vehicle is older or inexpensive model and insured indicates it was equipped with expensive.
• Accessories which cannot be substantiated with receipts.
• Vehicle is recovered stripped, bummed, or has severe collision damage within a short duration of time after loss allegedly occurred.
• Leased vehicle with excessive mileage for which the insured would have been liable under the mileage limitation agreement.
• Loss occurs within one month of issue or expiration of the policy.
• Loss occurs after cancellation notice was sent to insured.
• Insurance premium was paid in cash.
• Coverage obtained via walk-in business to agent.
• Coverage obtained from an agent not located in close proximity to insured's residence or work place.
• Coverage is for minimum liability with full comprehensive coverage on late model and/or expensive vehicle.
• Coverage was recently increased.
• Police report has not been made by insured or has been delayed.
• No report or claim is made to insurance carrier within one week after theft.
• Neighbors, friends, and family are not aware of loss.
• License plate does not match vehicle and/or is not registered to insured.
• Title is junk, salvage, out-of-state, photocopied, or duplicated.
• Title history shows non-existent addresses.
• Repair bills are consecutively numbered or dates show work accomplished on weekends or holidays.
• An individual, rather than a bank or financial institution, is named as the lien holder.
• Vehicle is towed to isolated yard at owner's request.
• Salvage yard or repair garage takes unusual interest in claim.
• Information concerning prior owner is unavailable.
• Prior owner cannot be located.
• Vehicle is recovered totally bummed after theft.
• Fire damage is inconsistent with loss description.
• Vehicle Identification Numbers were removed prior to fire.