

# INDICATORS OF VEHICLE PD FRAUD

Classic/Glass/Hail/Motorcycle/RentVehicle/Racer/  
Transportation Network Companies&Res

*Detection—The First Line of Defense*

PART 2 OF 2

**MOST** claims are legitimate, but some are fraudulent.

Therefore, it is appropriate to review all claims for possible fraud. Detecting fraud is aided by familiarity with industry identified fraud indicators.

**INDICATORS** assist in the identification of claims which merit closer scrutiny. The presence of an indicator (or several indicators) do not prove fraud. Indicators of possible fraud are not actual evidence, they only “indicate” the need for further investigation.

**SOME** claims, although questionable, may be paid due to a lack of conclusive evidence of fraud. However, they should be submitted as questionable claims to NICB for further review.

**DOUBLE** asterisk (\*\*) indicates the possibility of organized group activity.

For additional information on the following indicators, please see the NICB’s Interactive Indicator Guide. This Guide is a software application providing the concern associated with each indicator as well as suggested resolution steps. The Interactive Indicator Guide is

available from the NICB Document Download Center ([nicbdocs.org](http://nicbdocs.org)).

**Initial Indicators:** Usually identified in the initial/early processing of the application or claim.

**Subsequent Indicators:** Usually identified as the application or claim

processing continues. May also suggest areas of additional inquiry.

When viewed as a PDF, utilization of the bookmark function will provide the ability to choose an indicator topic or Control F can be used to rapidly locate specific key words within the indicators (e.g. address, receipts, police, etc.).

## Classic Car – Vehicle and/or Vessel Indicators (Initial)

- Vehicle (classic) is towed from the scene of the accident prior to notifying the police.

## Classic Car – Vehicle and/or Vessel Indicators (Subsequent)

- Pictures submitted during the application process do not accurately depict the true condition of the classic vehicle.

### **Glass – Individuals/s Involved Indicators (Initial)**

- Owner states having no knowledge of any glass claims being made on their policy.\*\*
- Owner states no glass repair/replacement work was done on their vehicle. \*\*
- Owner states no knowledge of miscellaneous charges included in the bill. \*\*
- Owner states the "sales tactics" were aggressive (often targeting youthful drivers or seniors) for the glass repair. \*\*
- Owner states the glass repair work was done at one location however the bill states another location. \*\*
- Owner states the glass was repaired and not replaced. \*\*
- Owner states their vehicle was "serviced" (including full service car washes) shortly before the glass repair bill was submitted. \*\*
- Owner states they did not call in the glass claim (owners have been impersonated by repair facility). \*\*
- Owner states they did not know about the glass damage until the "recruiter" pointed it out. \*\*
- Owner states they did not order any "add-ons" or specialty glass.\*\*
- Owner states they did not provide their insurance information to anyone. \*\*
- Owner states they were "pressured" to have the glass repair/replacement done immediately. \*\*
- Owner states they were "recruited" by the glass repair facility with offers of gifts and/or waived deductibles. \*\*
- Owner states they were "recruited" by the glass repair person while getting gas, an oil change, car wash, etc. \*\*
- Owner states they were advised continued driving with damaged glass was illegal.\*\*
- Owner states they were advised the damaged glass would shatter if they continued driving. \*\*
- Owner states they were offered free estimates for providing their insurance information.  
\*\*
- Phone solicitation caused the insured to choose the glass repair vendor. \*\*

### **Glass – Repair Facility/Contractor Indicators (Initial)**

- Bill includes charges for glass tinting, VIN etching, molding, clean up, hazardous waste disposal and other miscellaneous charges. \*\*
- Glass replacement vendor contacts the vehicle owner unsolicited.

### **Glass – Repair Facility/Contractor Indicators (Subsequent)**

- Add-on charges are billed for in an unusually high percentage of glass claims.\*\*
- Additional claims on the same policy after the initial glass work is performed (these additional glass work claims can be submitted as soon as the next day or years later). \*\*

- Billing for glass replacement when only repairs were done or billing for repairs when there was no actual work done at all. \*\*
- Bills from the facility with known metropolitan address consistently use "rural" area glass repair rates. \*\*
- Bills from the glass repair company always comes from a rural address. \*\*
- Business with several locations rarely bills using "metropolitan" area glass repair rates. \*\*
- Glass damage is repaired rather than replaced as billed. \*\*
- Glass repair/replacement facility always bills for the maximum number of repairs (even if there are less) knowing the insurance company will pay for this number of chips/cracks to be repaired. \*\*
- Luxury or unique windshield (e.g. HUD, high grade or heated glass) is charged for by the repair facility when a standard, less expensive windshield is sufficient (e.g. some shops will use "seconds" or "used glass" and bill for new). \*\*
- Original Equipment Manufacturer (OEM glass) is billed for when a lesser priced windshield was actually installed. \*\*
- Quarter panel or "back" glass is billed for, when less expensive windshield glass was actually installed. \*\*
- Questionable claims are submitted after an initial claim is made and paid for. \*\*
- Repairing and billing for glass chips/cracks not needing repair. \*\*
- Replacement of the glass (versus repair) is billed for in an unusually high percentage of claims. \*\*
- Specialty glass is billed for in an unusually high percentage of claims. \*\*
- Supplier's records of delivering parts/glass to facility in rural areas are not available. \*\*

### **Hail – Damage Indicators (Initial)**

- Damage from the hail, reported by the insured, is only on a specific part of the vehicle/structure or completely around/on all four sides of the vehicle or structure.
- Previous claims or vehicle estimation services show records of similar, previous hail damage.

### **Hail – Damage Indicators (Subsequent)**

- Damage from hail is not present on vehicle side panels.
- Damage from hail is only on are on low parts of the vehicle that wouldn't normally be exposed.
- Damage from hail on one vehicle/structure is not consistent with damage seen on other vehicles/structures damaged in the same area.
- Dented surfaces did not face the oncoming storm.
- Dents are deeper than wider.
- Dents are the same size and depth (real hail dents vary in size) or all have similar markings at the deepest part of the dent.



- Dents look like hammer marks and/or are cuts rather than hail created dings.
- Dents only on vertical surfaces and not horizontal surfaces (or vice versa).
- Paint is scratched or removed at the point of the dent.
- Paint oxidation, coloration and age in the bottom of the dents are consistent with the undamaged areas.
- Pattern or spacing of dents is consistent all over surface rather than random.
- Size of dents inconsistent with the reported size of hail.
- Trim pieces of vehicle not showing hail damage.
- Windshield and rear windows are chipped.

### **Motorcycle – Vehicle and/or Vessel Indicators (Initial)**

- Repairs are made by the insured who is unable to verify the repairs or service or demonstrate knowledge of motorcycle repair.
- Repairs done by a friend, but the insured is unable to provide details of the friend or the location of the motorcycle repair.

### **Rental Vehicle – Claim Indicators (Initial)**

- Moved themselves, a friend or family member (with a rental vehicle) but can't remember address. \*\*
- Primary driver is not in the rental vehicle and there is an authorized additional driver who is driving at the time of the accident. \*\*
- Purchased the property damage waiver coverage (when renting a vehicle) and all available insurance. \*\*
- Vehicle was struck by a rental vehicle soon after the rental had occurred. \*\*

### **Rental Vehicle – Claim Indicators (Subsequent)**

- Did not rent dolly, boxes or moving pads, if renting a truck. \*\*
- Rental vehicle is driven very few miles. \*\*
- Rented a vehicle from a dealer or agency "across town" as opposed to a closer location. \*\*
- Unemployed, but used cash to rent a vehicle. \*\*

### **Rental Vehicle – Vehicle and/or Vessel Indicators (Initial)**

- Makes an allegation that a defect with the rental vehicle caused the accident. \*\*

### **Rental Vehicle – Vehicle and/or Vessel Indicators (Subsequent)**

- Miles driven by the rental vehicle is inconsistent with new address, if moving. \*\*

### **Street Racing – Individual/s Involved Indicators (Subsequent)**

- Individual has a car club affiliation (social media, car decals, apparel, etc.).
- Loss location is in the vicinity of a racing track and the insured does not reside in this location.
- Participates in racing related activities (social media, car decals, apparel, etc.).
- Repair Shop of choice is a performance shop.

### **Street Racing – Vehicle and/or Vessel Indicators (Initial)**

- Damage to front and rear bumpers.
- Damage to headlights and taillights.

### **Street Racing – Vehicle and/or Vessel Indicators (Subsequent)**

- Battery placed in trunk (a characteristic of cars being used for "street racing").
- Engine has been replaced, such as Acura engine in a smaller Honda.
- Engine modified, such as intake, exhaust, nitrous and turbocharger.

### **Transportation Network Companies (TNC) or Res Rent Fraud – Claim Indicators (Initial)**

- Accident occurs at busy "taxi" times (Morning commute, evening commute, late night/bar closing hours, event endings, holidays, etc.).
- Accident occurs on or near a college campus, airport or other areas where taxis are frequently used.
- Accident report identifies the vehicle as a taxi or livery vehicle.
- Accident report/interview shows front seat unoccupied and claimant(s)/passenger(s) are sitting in the rear seat.
- Addresses associated with the claimant/passenger (e.g. mailing addresses, medical treatment or billing addresses, etc.) are out of the area or state.
- Body shop indicates a TNC is involved in the claim.
- License Plate Reader reports show vehicle often in areas not associated with residence, school or work especially during busy "taxi" times.

### **TNC or Res Rent Fraud – Claim Indicators (Subsequent)**

- Claim occurs in conjunction with an event that attracts large numbers of out of town attendees.
- Labels, logos or other items identifying it as a TNC vehicle are present.
- Leasing company (that leases the vehicle to the insured) is known to have an affiliation with a TNC.
- Miles driven is unusually high within a short time period (especially if the vehicle is a newer, high miles per gallon, four door model).
- Police have impounded the vehicle as a "bandit taxi" or for operating as a taxi illegally.
- Previous vehicle owner used the vehicle as a transportation for hire (livery) vehicle.

- Taxi or livery vehicle items in vehicle (water, snacks, newspaper, magazines, multiple "docking stations" etc.).

### **TNC or Res Rent Fraud – Individual/s Involved Indicators (Initial)**

- Claimant/passenger indicates they are from out of town attending an event.
- Claimant/passenger indicates they were paying for the ride and/or used an "app" to find the driver/insured/ride.
- Claimants/passengers immediately leave the scene of the accident (walking, a TNC vehicle, taxi, etc. - need to get to appointment, etc.).
- Discrepancies concerning the starting location, planned destination and reason for trip in the insured's and claimant/passenger's statements.
- Insured can't provide personal information (full name, address, type of work, marriage status, children, etc.) concerning the claimant/passenger.
- Insured has difficulty explaining why he/she was at the loss location with their vehicle.
- Insured has extensive claims history (e.g. hit while parked, vandalism, roadside assistance, etc.).
- Insured is employed and vehicle accident occurs during their non-work hours (not during commute).
- Insured is hesitant or seems nervous when asked if they were operating as a taxi.
- Insured states he/she is unable to find his/her cell phone or that it was damaged beyond use in the accident.
- Insured states his/her employer requires the car to be repaired prior to them receiving new passengers.
- Insured states the claimant/passenger is a friend and he/she was providing the service as a favor to the claimant, which the claimant refutes.
- Insured states they operate their personal vehicle as a taxi, but were not doing so when the accident occurred.
- Insured submits a wage loss claim reflecting a TNC as the employer.
- Multiple claimants/passengers in the vehicle all (except the driver) going to/coming from the same work location.
- Witnesses state there were passengers in vehicle, and/or the vehicle was a taxi, but insured denies both.

### **TNC or Res Rent Fraud – Individual/s Involved Indicators (Subsequent)**

- Bank records of the insured show payments for operating as a commercial enterprise.
- Cell phone of the insured has the "driver's version" of a "ride for hire" app installed.
- Cell phone records of the insured reflect a call to a TNC immediately following the accident.
- Claimant/passenger involved in a loss (sometimes injured) reveals that they were in a hired vehicle at the time of loss.

- Claimant/passenger lives locally and does not own a passenger vehicle.
- Commercial/chauffer's license possessed by the insured, but his/her stated employment doesn't require it.
- Commercial/chauffer's license/commercial insurance recently possessed by the insured.
- Discrepancies concerning cell phone use (locations, number of calls, duration, etc.) in the insured's and claimant's statements and cell phone records.
- Driving history (e.g. DMV, public records) of the insured shows activity as a "driver for hire".
- Insured has two (or more) passenger vehicles on his/her personal auto policy with one appearing to be used in a TNC capacity.
- Neighbors/friends/internet/social media of the insured indicate he/she drives for a TNC.
- No indication of previous contact (personal or professional) between the insured and the claimant (lack of social media involvement, not relatives, co-workers or neighbors, etc.).
- Traffic tickets for speeding and/or red light violations have been issued to the insured a significant number of times or has tickets for operating as a taxi without the proper license or commercial insurance.