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.

Regarding Applicant or Claimant or Insured

- Applicant has lived in the state for a significant period of time but provides an out-of-state driver’s license or state identification card.
- Applicant refuses or cannot produce current identification and/or driver’s license, or has a temporary, recently issued, or out-of-state driver’s license/state identification card.
- Does not provide a telephone number or states they do not have a home telephone or cellular phone and/or they will contact the adjuster.
- During statements, individual appears to have “selective memories” on some facts, and cannot remember simple issues that would be common to remember.
- Enters agent’s office at noon or end of day when agent and staff may be rushed.
- Has lived at current address less than six months.
- Individual indicates distress over prospect of an examination under oath.
- Individual is reluctant to use mail or telephone; provides all documents and handles all business transactions in person.
- Individual returns completed documentation unsigned or mails in the signed documentation which was not signed in agent’s view.
- Is never available to meet in person, resists communication over the telephone and supplies all information by mail or email only.
- Lack of multiple forms of non-government issued identification (e.g. library card, credit cards, bank cards, checks, motor club cards, health insurance cards, etc.).
- Neither works nor resides near the agency (if an in person application).
- One or more claimants or insured list a post office box (mail drop) or hotel as address.
- Questions agent closely on claim handling procedures.
- Return calls to provided residence phone number have strange or unexpected background noises which indicate that it may not be a residence.
- The claimant cannot produce or refuses to produce verifiable proof of identification.
Regarding Application

- Cannot provide their past employers, past addresses, etc.
- Has had driver’s license for significant period, but no prior vehicle ownership and/or insurance.
- Lives at same address listed on previous information, yet the middle initial, date of birth or other minor detail are different from previous information.
- Provided address is inconsistent with employment/income.
- Provides non-existent, incomplete and/or incorrect address.

Regarding Payment

- Wants to or already paid premium in cash or by other non-traceable method (e.g. cashier’s check or money order).

Regarding Policy/Coverage

- Losses occur just before/after coverage take effect, just before it ceases, just after it has been increased, or after a cancellation notice has been sent.
- No prior insurance coverage is reported (or proof of prior coverage provided) although the individual’s age would suggest prior ownership of a vehicle and/or property.
- Policy is purchased via the internet (especially with minimal/incomplete information).
- Questions about prior claims are left unanswered.