

Tweets & Facebook Posts That Ruin Insurance Claims

By: Beth Orenstein, Insure.com

A woman in Florida told her auto insurer that a hit-and-run driver had hit her car. She filed a claim for the damages. Then she went on Facebook and posted on her page how her daughter had caused the automobile accident.

Before the insurer paid her claim, its investigators searched social media and discovered the lie. She was later convicted of filing a fraudulent claim.

Such scenarios are happening more frequently these days.

Property and casualty insurers are increasingly using social media channels to investigate whether their customers' claims are genuine, according to a recent report by Timetric, a provider of online data, analysis and advisory services headquartered in London.

Timetric's 2013 study found that fraud investigators use social media to investigate auto, fire and burglary claims the most.

"Mining social media for clues is one of the fastest-growing areas of insurance-fraud investigation," says James Quiggle of the Coalition Against Insurance Fraud in a report published last year.

Posts don't have to be obvious

Carlos Pallordet, a senior economist and spokesperson for Timetric, says people are posting on their Facebook page or tweeting things that could be used against them in a claims investigation. "Some are more direct and some are more indirect," he says.

Examples of indirect posts that could make claims investigators suspicious include photos or comments about the drivers' love of speed or recklessness, their dislike of using seatbelts, or their bragging about alterations they made to their cars that were forbidden by their policies or undeclared, says Pallordet.

Some don't care

Frank Scafidi, spokesperson for the National Insurance Crime Bureau based in Des Plaines, Ill., says you would think that if car owners were committing auto insurance fraud they wouldn't boast to the world about it on the Internet. Or Tweet it. But they do, and investigators are taking advantage of customers' brazenness when looking into claims.

"If people are dumb enough that they post things online that come back to bite them, we'll take it," Scafidi says. "When it comes to human and dumb, we continue to define the bottom."

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Coalition Against Insurance Fraud

Scafidi says that today social media has become "another tool" that most claims investigators use to do their jobs well. Part of it, Scafidi says, is that the computer makes it easy. Unlike when he worked for the FBI for 20 years, retiring in 2004, today investigators don't have to get in their cars and drive all over the place, hoping to spot someone with an "injury" carrying a ladder and cleaning out gutters. They simply sit at their desks to find all kinds of information on claimants and their accidents.

Fair game

Auto claims investigators not only use Facebook and Twitter but also LinkedIn and Google to see what they can find about their policyholders, Pallordet says. Any Internet or social media site is fair game. "Facebook remains the biggest draw among social networking websites, though Twitter is increasingly used by insurance companies given its real-time status update option," he says.

Even sites or YouTube videos that you "like" or "dislike" can give investigators clues to your personality and insight to how honest you are about your claims, Pallordet says. "Like" skydiving or bungee jumping? It could suggest you're a risk-taker. Use Foursquare to let people know you're at a bar or nightclub and it suggests you drink.