

5 ways to know your auto glass claim isn't fraudulent

By: Sheila O'Toole, PropertyCasualty360.com

When a policyholder's auto glass needs to be replaced, details matter. For obvious reasons it's important that the service provider and carrier identify the correct part, with the right features, for the right vehicle. With the advanced safety features in vehicles increasing, this is more critical than ever.

As windshields grow in complexity with additional features and a greater choice of windshield applications for any one vehicle, getting it right matters not only for safety, but for billing and reimbursement accuracy. Clearly, the goal is to achieve more transparency when it comes to auto glass replacement claims, and the dollar stakes are very high.

A diligent insurer must have some guarantee that they are paying only for the part used, and not for a different and more expensive part than was in the vehicle originally. Easy to say, hard to do, especially with over 15,000 auto glass parts and a rapid introduction of smart windshield options into newer vehicles.

This often overlooked problem – known as parts-shifting – comes with a price tag. In one fraud lawsuit settlement won by Allstate for \$1.4 million involving 118 fraudulently reported glass claims, the service provider was found to have had a pattern of billing for more expensive parts than the actual aftermarket glass that was used.

How much does auto glass fraud cost?

According to the Coalition Against Insurance Fraud, about 10 percent of property-casualty insurance losses and loss adjustments every year go to fraud. It's a \$32 billion problem.

Auto glass fraud represents a very small slice of that pie; nevertheless, when you're spending more than you should on a variety of glass claim instances, it does bear a negative impact financially.

How big an impact? Per vehicle, the cost of part-shifting in auto glass can range from loose change to several hundred dollars a pop. For example, according to AGVerify data, a due diligence and fraud monitoring service from Burlington, Mass.-based StrategicClaim, if instead of the simpler windshield on a Toyota 4Runner, you were billed for the windshield version that supports an electrochromatic mirror, you'll spend just \$2.85 more than you would have if it had been billed as the appropriate part. If a service provider makes the same part shift on an Acura MDX, however, the difference in your spend jumps

According to the Coalition Against Insurance Fraud, about 10 percent of property-casualty insurance losses and loss adjustments every year go to fraud. It's a \$32 billion problem.



**Coalition Against
Insurance Fraud**

to \$134.50 more.

It jumps even higher if the part shift combines multiple features that weren't included on the original. If you're talking about shifting the windshield version on a Hyundai Sonata to the one that supports both an electrochromatic mirror and the heated wiper park feature, you'll be shelling out an additional \$412.70 for that claim.

How common is it?

Among the data collected by AGVerify, 30 percent of auto glass invoices were inflated in one way or another. When inflation was present, the exposure averaged about \$44 per invoice, with individual invoice inflations ranging from under \$10 to more than \$350. All told, the average inflation amounted to \$14.50 per claim. These figures were derived from analytics conducted on more than 100,000 auto glass claims. If you're spending an average of an extra \$15 on every glass you replace because of part shifting– it's not hard to see where that trajectory leads. The cumulative effect is significant, to say the least.

Now that you know you're probably paying more for each windshield glass claim than you should, it's time to answer the question: How can you prevent auto glass part-shifting in the first place?