



**PA INSURANCE FRAUD
PREVENTION AUTHORITY**
KNOW THE RISKS. KNOW THE PENALTIES.

HOMEOWNERS INSURANCE FRAUD

Homeowners insurance fraud is committed whenever a person knowingly submits a false claim on a homeowners or renters policy for more than the loss sustained.

Common forms of this type of insurance fraud include:

- Overstating the value of stolen items after an actual burglary of a home or vehicle.
- Lying about the extent, cause, date, or location of legitimate damage.
- Intentionally damaging property to make a claim.
- Staging a phony burglary or break-in and faking the theft or damage of property.
- Making a second claim for a loss that was already paid by another insurer or through a prior claim.
- Asking a repairman to “cover the deductible” by increasing an estimate or bill.
- Fabricating supporting evidence, such as repair bills or receipts, often in collusion with a crooked contractor, plumber, repairman, or insurance adjuster.
- Staging an accident and injury on the property.
- Falsifying or inflating medical bills for treating injuries.
- Concealing that a residence is used as a rental or in a commercial business on an insurance application.

The IFPA has compiled statistics on the incidence of homeowners insurance fraud in Pennsylvania and found that:

- Incoming complaints of homeowners insurance-related crime (“referrals”) from all sources in Pennsylvania totaled 223 in 2008, or 10 percent of all referrals.
- 8.4 percent of arrests in 2008 were related to homeowners and renters insurance fraud, primarily from opportunistic false or inflated claims of damage, theft, or injury.

Typical Opportunistic Homeowners Insurance Fraud Scenarios

A strong storm blew the shingles off of John's house. When the insurance adjuster inspected the roof, John also said some siding was damaged during the storm, even though the siding had been damaged when John bought the house.

During a trip to Philadelphia, Rebecca's car was broken into. Her motor vehicle insurance paid to fix the damage done to the car. On her homeowners insurance claim, she said the items she lost were a lot nicer than they really were — a leather coat instead of a denim jacket — and she added a few extra items to the list she gave to her homeowners insurance company.

Zeke's big screen TV quit working, then his home was struck by lightning. He told his insurance company the TV had been damaged by the electrical storm.

