

***Matt's apartment was broken into and several items were stolen. But Matt did not have renters insurance. Matt purchased a renters insurance policy and then a month later claimed the theft of his property had occurred after his insurance policy was purchased.***

***Matt committed insurance fraud, a serious crime in Utah. A crime that is frequently considered a Felony.***

*Those convicted of the crime face fines, legal fees, restitution, even prison time. Not to mention a wide range of personal and professional consequences, such as job loss, harm to reputation, and relationships. It is a crime that goes on your permanent record.*



**UTAH INSURANCE  
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# HOMEOWNERS INSURANCE FRAUD

## IS A SERIOUS CRIME.



**Utah Insurance  
Department  
Fraud Division**

*During a trip to Idaho, Patrick's car was broken into. His motor vehicle insurance paid to fix the damage to the car. On his homeowners insurance claim, he said the items taken were nicer than they really were; a leather coat instead of a denim jacket, plus he added a few extra items to the list he gave his homeowners insurance company.*

## **THE CRIME...**

Fraud takes place when someone knowingly submits an inflated claim on their homeowners or renters policy. Submitting a false or misleading statement on a claim to receive undeserved compensation is considered homeowners fraud.

### **The most common types of homeowners insurance fraud in Utah involve:**

- overstating the value of stolen items in a burglary of a home or vehicle;
- lying about the extent, cause, date or location of the damage;
- intentionally damaging property to make a claim;
- staging a phony burglary or vehicle break-in and faking the theft or property damage;
- asking a repairman to "cover the deductible" by increasing their estimate or bill;
- forging supporting evidence, such as repair bills or receipts, often in cooperation with a crooked contractor, plumber, repairman or public adjuster; and
- concealing information, for example, that a residence is used as a rental or as a commercial business.

*A strong storm blew the shingles off Tom's house. When the insurance adjuster inspected the roof, Tom also said some siding was damaged during the storm, even though the siding had been damaged prior to Tom's purchase of the house.*

## **CONSEQUENCES...**

Unfortunately, scenarios of homeowners insurance fraud are played out all too frequently in Utah. This is why homeowners insurance fraud is such a serious crime.

As with other types of insurance fraud, Utah often considers Homeowners Fraud a felony. Violators can spend up to fifteen years in prison and pay up to \$10,000 in fines, in addition to restitution to insurance companies. Other costs associated with homeowner fraud include court costs and legal fees. But, worst of all is the stigma associated with a felony conviction and the limitations that may result for a lifetime.



*Dan's home was burglarized and his expensive entertainment system was stolen. Dan's policy allowed for full replacement. Dan accepted the depreciated value amount for the system and then presented false receipts representing he had purchased a replacement system in order to get paid the full replacement costs.*

## **PREVENTION...**

There are simple ways to avoid facing the charge of homeowners insurance fraud.

First, it is important to make sure your homeowners insurance policy is up to date. Second, you need to understand your policy, what is and isn't covered, and under what circumstances. Your insurance agent can help you with this.

Learning all you can about homeowners insurance fraud will help you avoid costly and life-changing mistakes. In all aspects of your dealings with insurance companies, from applications to claims, make sure the information you provide is truthful and accurate.

To learn more about insurance fraud and how you can prevent it, visit [www.ifd.utah.gov](http://www.ifd.utah.gov)