

# One in Five Ready to Cheat Insurers!



TruckSure

By Trevor Toohill

After 40 years in the insurance business and most of that time dealing with transport companies and owner operators I have a pretty good feel for the trucking business and what makes it tick.

No doubt in my mind that a great percentage of operators run a pretty good business and are straight shooters when it comes to claim time. However there are enough instances that come across my desk where a claim is fudged, inflated, or is just plain and outright dodgy, to make it worth my while to throw this article down on paper.

Most people don't realise that getting caught out could result in a void policy or even lead to a criminal record - with serious implications for getting any future insurance coverage and the likely result being that the business folds! It just is not worth it, plain and simple.

You have to understand that the insurer has staff highly skilled in detecting anything out of the ordinary and once they are alerted and have their teeth into it they are pretty hard to shake off.

I was reading through a couple of insurance reports earlier in the week and came across a few comments made by Southern Cross Travel CEO Craig Morrison. Although the stats quoted and comments made apply to Travel Insurance it is still pretty relevant to all classes of insurance and worth a look:

"Men are more likely than women to try to cheat their insurers, research shows, and to expect insurers to do the same to them in return." Southern Cross Travel Insurance research found 21% of men thought that with any type of insurance, it was acceptable "all" or "some of the time" to inflate the amount they claimed to cover a policy excess. Another 11% thought it was okay to claim for pre-existing damage to an item that occurred before they travelled.

Only 17% of women felt it was okay to inflate a claim and 9% were willing to claim for pre-existing damage."

Morrison said it was common to see claims that had been inflated: "It's something we have trained experts watch out for. The worst thing about this type of behaviour is that, you know when you're being honest but, unless we have the documentation to back up your story, how do we? As a result, we are forced to look at all claims more carefully and in doing so ask a lot of questions."

He said the flow-on effect to having this level of scrutiny applied to claims was reflected in how customers felt about the claims experience.

The survey found 42% of men thought travel insurance companies "always" or "most of the time" looked for excuses not to pay valid claims, compared to 31% of women.

Morrison said it was disappointing that so many people lacked faith in insurers. "Firstly, for an insurer to attempt to avoid paying a valid claim is ethically wrong, but secondly it breaches the legal contract the insurer has made with the customer. Customers should be assured that if the claim fits within the terms of the policy the insurer must pay out - there's no question about it."

He said the core purpose of the survey was to find out if people really understood the claims process.

"It was a revelation to us that 55% of those surveyed thought it was okay to claim the replacement cost, rather than the current value of a lost or damaged item. So if you thought you were going to get a brand new laptop, rather than the current value of your five-year-old one, it's natural you're going to be disappointed in your policy."

As I commented earlier this is travel insurance but strong similarities can compare to truck insurance - while making the current claim why not get a new paint job for that scrape you did last year?

Or perhaps claim for that carton that "fell off the back of the truck".

I might sound a bit cynical but I have seen them all and there are hundreds. Fortunately if there are one in five happy to cheat an insurer then the good news is that there are **four in five who play it dead straight**, and I guess if you can't have 100% then this is pretty damn good

And it is not just claims.

**Probably the biggest and most common concern to insurers would be non disclosure.** This occurs when you do not reveal all relevant material facts

and data or history to the insurer or your broker at the time you placed insurance cover or renewed your policy.

Non disclosure or incorrect disclosure and omission has a profound negative impact at claim time and most definitely will result in a claim being declined. But this is a story for another day.

Think you need to have a chat about this? Want me to write on a particular topic of interest to you?

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