

12 Words Never to Say to Your Insurance Company

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When you file a claim with your insurance company for a car accident or home damage, think before you speak. Saying the wrong words during that first phone call can turn what should be a quick, painless settlement into a prolonged nightmare.

Insurance adjusters zero in on certain “trigger” words that indicate you might not have a legitimate claim — or don’t know what you’re talking about.

Here’s your strategy: Don’t say any more than necessary. Talking too much only gives you more chance to say something counterproductive.

“Just tell your agent exactly what happened,” suggests President Bob Hartwig of the Insurance Information Institute (III), which represents the property-casualty industry.

Avoid these 12 words, which are often used by “over-talkers” and can hinder even the most legitimate claim.

1. Sorry

You may say “I’m sorry” out of habit or embarrassment after a car crash, but hold your tongue at the scene of an accident. There’s no need to admit fault or assign blame – let a police officer determine fault. You don’t want your words to cause confusion about your role in an accident, especially if you weren’t at fault.

2. Whiplash

Say “whiplash” and the insurance adjuster will probably speed-dial the in-house counsel. Whiplash claims are the bane of insurance companies, which are on constant alert against bogus medical claims. Don’t self-diagnose your injuries from an accident. If you suspect trauma, see a doctor and get the medical report. After a car accident, never speak to the other party’s insurer before you speak to your own.

3. Intentional

Insurance will cover bad luck and bad judgment, like driving too fast on ice and crashing, but it won’t cover intentional acts. If your wife took a bat to your car hood during an argument, or you broke your car

window in order to get your keys, get ready to pay for damage yourself.

4. Customized

Your souped-up car might be your pride and joy, but auto insurers are not interested in covering drivers who are careening around in modified vehicles trying to look cool.

Remember that customizing and upgrades to your car may not be covered by insurance — or only up to \$2,000, warns Insure.com's consumer analyst Penny Gusner. In fact, some modifications can void your auto insurance policy.

5. Breakdown

Your car won't start in the morning. Your axle snaps while you're turning a corner. You don't have an insurance claim; you have a mechanical breakdown. And breakdowns aren't covered by auto insurance unless you specifically added mechanical breakdown coverage to your policy. If your insurer offers it, make sure you understand the details. Does it include roadside assistance and a rental car? What is the coverage limit for repairs and what is excluded?

6. Fine

Many people have a misplaced tendency to assure everyone they're fine after an accident, says Gusner, even when they can barely crawl out of the wreck. Let the doctor say you're fine before you give this information to your insurer — or anyone else.

7. Ride-share

Ride-sharing services are flourishing in urban areas, but that doesn't mean they're a smart choice. If your car is used for a purpose other than that for which the policy was issued, you may not be covered. Renting out your car as a taxi service could void coverage. So don't turn your car into a side business unless you've checked with your agent.

8. Off-premises

"Off-premises" could indicate that your problem isn't covered by your policy.

Amy Bach, executive director of United Policyholders, a non-profit group that helps consumers, tells of a man who told his insurer that his water damage may have been caused by a backup from an outside sewer rather than a problem inside his property. The insurer told him that the damage had to originate on-premises or it wasn't covered. The case went to court, but the owner lost.

9. Coincidence

Insurance companies cast a wary eye on anyone who insists an unusual situation was just "coincidence," according to Jim Quiggle, director of communications for the Coalition Against Insurance Fraud.

"It's just a coincidence that my car was in that vacant lot on the other side of town and the driver's seat mysteriously caught fire," says Quiggle as an example. Insurers will suspect your car fire was on purpose

rather than coincidence.

10. Termites

Most policyholders don't realize that termite damage is excluded from a homeowners policy, which is unfortunate since these critters munch more than \$5 billion worth of property each year, says National Pest Management. Schedule a yearly termite inspection to protect your property and ensure that you don't have a costly — and uninsurable — problem.

11. Mold

Mold is also excluded from your homeowners policy, unless the mold is a direct result of a covered event. For example, spokesperson Loretta Worters of the III points out that a burst pipe that caused water damage could also produce mold, in which case everything stemming from the popped pipe would be covered.

12. Experimental

When conventional medical treatments are failing to treat a disease, patients sometimes turn to experimental treatments. Health insurance companies, however, don't want to pay money toward treatments that they consider unproven. Don't say your treatment is experimental or investigational if it isn't — that will cause confusion about your treatment and can hinder claim payments. If your treatment is experimental, you'll probably need your doctor to say it's medically necessary in order to attempt a claim.

Tips for reporting an insurance claim

First, stay calm. Even though something bad has just happened — your car is wrecked, firefighters are rolling up the hoses at your burned-out house — you shouldn't call your insurer if you're still shaken up. Second, locate and read your insurance policy before making the call to ensure that what happened is actually covered.

Third, don't forget that it's your money. You purchased the policy specifically for these types of problems. Speak confidently and don't feel compelled to justify yourself to that anonymous voice on the phone. It's his or her responsibility to work with you.

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