

[Don't Make These Mistakes When Filing an Insurance Claim](#)

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The biggest insurance mistake you can make is not having insurance. That sounds like an advertisement for an insurance company, but generally, it's true. If you're driving without car insurance, you're breaking the law. If you don't have health insurance, you'll likely pay a fee on your federal tax. If you own a house, banks will insist that you get homeowners insurance, and while you can legally drop it later, you're going to be paying plenty if a falling tree takes out your kitchen.

So if you have insurance, good. But it may not do you much good if you file a claim haphazardly. Sure, you're still better off with the insurance than without, but if a claim is in your near future, or if you simply want to be prepared if something does go wrong, keep these common mistakes in mind.

Not filing a claim. That sounds crazy at first. You have insurance. Something went wrong. Why not use it? But if something only went a little wrong, you might not be inclined to report an issue to your insurance company, if you think you can pay for the item yourself. Because once the insurer gets involved, you're a riskier policyholder, and at some point in the future, your rates will probably go up.

But that can backfire. Dan Weedon, an insurance consultant in Seattle, had something happen about a week ago that reminded him of how important it is to always file a claim, especially if another party is involved.

"I backed into a car as we both were leaving parking lot stalls," Weedon says.

He bumped into a car with a young woman at the wheel, her mom in the passenger side and a baby in the back.

"I asked if everyone was OK, and they all confirmed, 'Yes,'" Weedon says.

There was minor damage to the woman's bumper, and in a situation like that, many drivers are often tempted to pay for it themselves. But Weedon reported the accident to his own insurer immediately and later was told by an adjuster that the people in the car were claiming injuries. His insurer and the woman's insurance company will be working all of that out - not Weedon.

"Had I offered to pay, I might now be in a very stressed and anxious situation," Weedon says.

Filing a claim when you don't have to. Sure, you were just lectured about the importance of filing a claim, especially when other people are involved.

But you still need to think about it and do the math, says Amy Bach, executive director of United Policyholders, a San Francisco-based nonprofit insurance consumer advocacy group.

By math, "that includes weighing the amount of the damage, factoring in your deductible and the impact on your premium in the future," Bach says. "Some claims you're better off paying out of pocket and not submitting to your insurer."

Assuming your insurance company is right. That's the perspective of Alex Stern, an attorney in Miami Beach, Florida, who often represents clients in claims against insurance companies. While you would expect an attorney to say that, it's hard to argue when Stern makes his case.

"Insurance companies are vast bureaucracies, and in many instances subcontract portions of their claims-handling process," he says. "Insurance claims data is being inputted by data entry clerks who handle an enormous volume of cases, and make mistakes that anybody handling that kind of volume would make. As a result, many times the insurance company will deny claims for the wrong reasons, or simply be relying on bad or inaccurate information."

Adds Rebecca Palm, chief strategy officer for CoPatient.com, a consumer website that helps people navigate everything related to health insurance: "Up to 80 percent of medical bills contain errors - everything from incorrect billing codes to procedures that didn't happen, or medications that weren't prescribed."

Not getting enough documentation. Stern says many people call to report the claim, or to check the claim's status or provide information.

While that is often how things are done, Stern advises to always get the email address of whom you are speaking to, and following up with email confirming the conversation. If you have trouble with your insurer later, Stern says a written record will go a long way toward proving your case.

Weedin seconds that: "Use email as much as possible for documentation."

And if there's a police report, any expert will tell you: Submit it to your insurer.

Don't delay making your claim. You may forget important details to tell your insurance agent. You may forget altogether. Or you may end up filing too late.

Palm says some doctors' offices will ask patients to file claims, especially if patients are out of network or don't have insurance.

"Don't wait too long," she says. "Your plan might give you as few as 30 or 60 days from the date of your procedure or doctor's visit to file."

Opening your big mouth. If you're a conversationalist and enjoy talking, be careful. Karla Baker

Thompson is a Scottsdale, Arizona-based insurance attorney who specializes in representing professionals with disability insurance claims.

She says mistakes are often made on the phone, and while her experience is in disability claims, it's easy to imagine a lot of people, calling in about an auto or home claim, shooting themselves in the foot by shooting off their mouth.

"Most people don't realize how claims handlers are trained to ask loaded questions whenever they talk to policyholders, and to memorialize everything the claimant says in a written memo after the call," Thompson says. "The questions might seem routine or mundane to the policyholder, but the answers they elicit can have serious consequences, including denial of the claim."

Thompson offers the example of a claims handler asking what you've been doing that day.

"If you say you went out to pick up a prescription, you're not just making small talk. You've just led that claims adjuster to believe - whether accurately or not - that you're capable of leaving the house, getting in your car, driving, filling out paperwork, and possibly lifting and carrying bags," Thompson says.

Maybe, Thompson adds, someone drove you to get that prescription, or maybe you did go out yourself but you came back and felt miserable afterward.

"If you're just speaking off the cuff, you may not be giving the proper context to your answers," she says. "Worse, you could say something inaccurate by mistake." So, she advises: Stick to the facts and don't offer too much information.

Or, as Bach puts it, remember that a hefty insurance claim is a business negotiation.

"While the adjuster may be friendly," she says, "they are not your friend."