

Five Things Never to Say to Your Insurers

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Some words are red flags to insurers and using them could mean that your claim might be delayed or even denied. By Ismat Sarah Mangla, Money Magazine, November 2, 2009. “I think ...” Never begin a statement regarding a claim with these words. If you aren’t sure, don’t guess. What you say could cause your claim to be delayed or denied, says attorney Vedica Puri. And if you’re wrong — say, you report driving at 30 miles per hour before an accident but police later prove you were going 50 — it could hurt your credibility. Particularly beware of speculating on blame or causation. For example, if you suggest that a water leak is due to a construction defect, you could give the insurer an out if that’s a policy exclusion. Stick to the facts. Should the insurance rep ask you a question you can’t answer, simply say, “I don’t know.” If the person is taking a written or recorded statement, ask for a transcript to review for misstatements.

2. “I got whiplash” Fraud costs auto insurers up to \$6.8 billion a year, reports the Insurance Research Council. And suing for damages caused by whiplash is a fraudster favorite (“Oh, my neck!”). Merely mentioning the term is likely to get your claim flagged for further investigation, says Amy Danise of Insure.com. Whiplash is a specific diagnosis. If a doctor says that you have it, then you should report it as such. Other wise, if you feel neck pain, just refer to it that way.

3. “It’s an experimental treatment” Truly experimental or investigational medical procedures are typically not eligible for health insurance coverage. So if a doctor tells you he wants to experiment with a treatment, don’t represent it using those words. “In medical terms it may not actually be experimental or investigational,” explains Danise. “If it’s proven effective, your doctor deems it medically necessary, and it’s not an exclusion, it should be covered.” Verify with your doctor that it meets the above litmus tests before going to the insurer.

4. “My basement flooded” With homeowners insurance, “flood” is a red flag. “The word refers to an act of weather or an overflow from a nearby body of water,” says Danise. “And a standard homeowners policy doesn’t cover it. You’d need flood insurance.” So don’t use the f-word if your basement is knee-deep in water because of a burst pipe. Damages from such an incident should be covered by a homeowners policy. But calling it a “flood” could muddy the waters, so to speak.

5. “Just send me a check” When filing a home or auto claim, don’t emphasize that you’re just looking for the cash.