



UNDERSTANDING INSURANCE FRAUD

Offsetting or forgiving deductibles by a roofer can cause both the roofer and the insured to commit insurance fraud in Texas. As simple as it seems, offering to deduct or cover deductible payments, for example, by placing a sign in an insured's yard is in fact considered a rebate since the insured receive betterment from their loss. ("hey, it's OK; everyone does it, right?). WRONG.



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Home Owners Insurance Fraud

Be an Educated Consumer!

Please take a few minutes and Read this document!
Discounted or "free" insurance claim roofing work is **AGAINST THE LAW**.
(All over Texas.)

Paying for deductibles, even partially, is illegal in Texas.

We are seeing language on insurance claim summaries that address this issue informing insured's that it's illegal for them to not pay their fully required deductible.

Example:

Insurance claim for a roof is estimated by insurance at \$10,000.00. Insured (homeowner) has a deductible for \$ 1,500.00. This means the insurance company's portion of "buying the roof" is \$ 8,500.00.

However, along comes "Roofer X" who only charges the homeowner / insured \$ 500.00 for the deductible *not* the full amount. Roofer X then faxes off an invoice to the insurance company stating that they collected \$ 1,500.00 from the homeowner / insured. Roofer X is telling the insurance company they should send out the balance of the claim (the rest of the amount due) and the insurance company now thinks they have satisfied their part.

If, on the other hand, Roofer X were to send in an invoice with the dollar figure of \$ 500.00 paid by homeowner / insured and NOT \$ 1,500.00, then the insurance company would then back off their final check by the amount that Roofer X did NOT collect.

Fact: The very moment Roofer X sends off a false invoice showing a higher dollar amount collected from homeowner / insured, and then Roofer X has committed fraud.

Fact: If Roofer X provides an invoice (or receipt) to the homeowner / insured and they (not the roofer) then forward this off to insurance, both parties have now committed insurance fraud, however the homeowner has also committed wire fraud AND they are also committing collusion (conspiring to perform an illegal act).

It's really quite simple:

Find a roofing contractor that has good references and one that you think will provide you with the highest level of service / do the best quality job. Pay your full and legally required deductible. If you have a problem with your deductible, then maybe you need to rethink your premiums. A higher premium will mean a lower deductible, but YOU, the consumer, are the one who makes that choice.

All it takes is an insurance company SIU Department to audit an insured. Or the Texas Department of Insurance to investigate.

Go to <http://www.statutes.legis.state.tx.us/DOCS/BC/htm/BC.27.htm> to read the full law.