



# CLAIM ALERT: DEALERS OPEN LOT

## FALSE PRETENSE/IDENTITY THEFT UP 300% IN 2018

**This is a claim alert to retail insurance agents that currently insure auto dealerships. Please share these tips with your dealerships to help reduce losses and keep insurance costs down due to the increase of False Pretense/Identity Theft claims.**

It is clear that today's criminals are technologically savvy and no longer need to show up at the dealership to steal cars. Dealers are selling more and more cars over the internet to customers sight unseen, which has caused a huge increase in these type of claims.

**It's now more important than ever to verify the customer's identity prior to releasing the vehicle and signing over the title.**

- The best prevention of this type of claim is to require the buyer to come into the dealership to provide identification and sign purchasing documents in person.
- Thoroughly review all documentation provided. If the documents provided looked altered/forged, or the identification information differs from what the person is telling you (actual example: Driver's license showed 5'4" but the criminal/customer was over 6 ft.), then discontinue the sale and discuss with the sales manager.
- Trust your gut, because in most cases you are correct and can avoid a large claim against the dealership. If you are doubtful about the information you are given, ask for additional items such as the customer's utility bills, bank/credit statements or paycheck stubs. Make sure you compare this information to the customer's credit report.
- There are companies that specialize in verifying/notorizing the identity of the online customer. If you choose to work with these companies, ensure that they will reimburse the dealership the cost of the vehicle in the event their information was incorrect.

**Stay vigilant to keep your insurance costs down.**



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### BONUS ALERT: CHECK FRAUD

Cashier's check fraud is also on the rise. Don't hesitate to call the bank where the check was issued to ask questions regarding its authenticity. If there is any doubt, wait until the check clears before releasing the vehicle/title to the customer.