

CRASH



EXPERIENCE SINCE 1965



SERVING INSURANCE PROFESSIONALS-LAWYERS-STATE FRAUD INVESTIGATORS AND LAW ENFORCEMENT

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ELECTRICAL DAMAGE...REAL OR FRAUD?

Easy to Claim....Hard to Disprove.

The claim that electrical high voltage caused damage comes in many forms. It is the easiest form of fraud for an insured to claim when no other explanation is readily available, or in most cases it is the means to obtain insurance claim money on something that is no longer working and costly for the owner to repair. To often the owner will state, "It worked before the storm and lightning struck all around here". What the owner is counting on is that nobody can tell if lightning did in fact strike and a power surge damaged the items claimed. In most cases when a claims representative sends out an appraiser, they are not knowledgeable in determining fact from fiction on electrical damage. The appraiser most likely will write an estimate of alleged damage, submit it and collect his fee without regards for the truth. Now the appraiser has failed to do his or her job, has fraudulently represented the facts to the insurance company and in most eyes is worse than the insured that perpetrated the scheme to defraud.

What can an insurance company do? First, the claims representative must send someone who is not afraid to ask the hard questions and second, that

person must have specific knowledge in the field of electrical damage.



If the insured is claiming electrical damage on the recreational vehicle, the point of alleged entry must first be established. Is the insured claiming that lightning struck the vehicle, or did it come from a landline power surge? If damage is evident from a lightning strike then the high voltage issue has been established. If the insured is claiming line intrusion then certain components or accessories must be checked for excessive voltage. Most likely the connection plug will show some form of discoloration or burning. Following the electrical flow to the circuit breakers is where most evidence will be found. The circuit breakers may reveal a fusing of plastic due to the high voltage heat, wires melted, or just a failure to stay locked in the on position. At this point if everything appears in order and no visible evidence has been found on either the connecting plug or circuit breakers, it is unlikely lightning caused the alleged damage. The next step is to

check for the operation of the power converter. If it is working properly then a higher degree of certainty exists there was no high voltage. There is one very sensitive component in the RV, the refrigerator module board. In all but the most rare instances, if there is any evidence of high voltage intrusion up to this point it is likely the board is damaged and will require replacement. The general rule is "No board damage, no high voltage".



It may require more time to investigate an alleged lightning strike or high voltage claim, but the competent investigator must work harder in those areas to find the truth. Don't count on a repair facility to provide you with the truth. Money is their motivation and the insurance company is generally their targeted "Cash Cow".

by Thomas Bailey

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