

A NATIONAL DILEMMA

State fraud bureaus investigate suspected schemes across most lines of insurance. Despite the fact fraud costs an estimated \$100 billion annually, some states fail to realize the value in having multi-line fraud bureaus.



States lacking these bureaus include Alabama, Illinois, Indiana, and Maine among others. The Coalition Against Insurance Fraud's 2007 annual study of state

fraud bureaus yielded the following combined profile:

- Budget: \$147.7 million
- Employees: 1,694
- Referrals: 115,062
- Arrests: 4,848
- Presentations to prosecutors: 5,936
- Convictions: 4,228
- Cases opened: 31,654
- Resitution ordered: \$170 million



Note: The Coalition does take into account "auto give-ups" in the abovementioned figures. The organization does not explicitly define a "give-up." However, just as there are separate categories for "auto-padding/false claims, auto-staged, [and] auto-underwriting," it would appear that give-up refers to auto theft and hijacking.



PICKING THE RIGHT FIRE EXPERT

To narrow things down to the selection of the right fire expert, consider these questions:

1. What is the complete educational background of the investigator?
2. What is the entire working-life experience of the investigator?
3. What specific technical experience do they have in the field of fire investigations?
4. What professional licenses do they carry? Have they ever been suspended or revoked?
5. What professional certifications do they have?
6. What knowledge do they possess on building construction, HVAC systems and building electrical systems?
7. Do their licenses or certifications require continuing education credits?
8. What seminars have they attended in their careers?
9. Do they generally recognize and follow the recommended procedures as outlined by NFPA 921?
10. Are they fully qualified as a fire investigator under the standards of NFPA 1033?
11. Do they follow the scientific method to reach a conclusion on a fire cause?
12. What associations do they belong to?
13. Have they ever published any articles?



14. Have they ever been qualified in court previously as a fire expert? Have they ever been rejected by a court in seeking to be qualified as an expert witness?
15. Have they ever conducted live test-burns to support their fire theories, and if so, was that data used in any analysis of a fire or in any fire modeling?
16. Have they ever done any laboratory work? Who do they use of chemical analysis of samples?
17. Do they have an understanding how fire suppression efforts can impact the determination of the fire cause?
18. How Many fire scenes have they served as the prime fire investigator, and what is their record for determining fire causation?
19. How would the investigator handle

a situation where they felt subrogation might exist based on initial findings at the scene?

20. Have they ever given evidence from reviewing photographs or laboratory exhibits?
21. What is their reputation with the public authorities? How would they deal with situations where they were kept out of a scene until the authorities had completed their investigation?
22. Does the investigator work alone or for a company? Who is the company? What is their financial stability? Do they have Errors and Omissions insurance? What are the

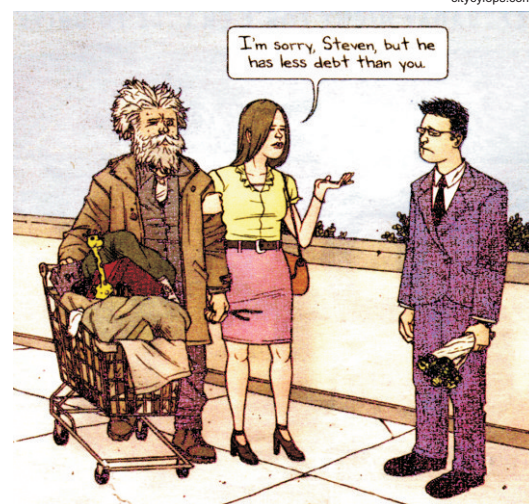
limits? Is the policy still in force? Have they had any claims filed against them?

23. What methods do they use to eliminate accidental causes on a fire investigation?
24. Are they knowledgeable on state or local fire ground hazards? Are they familiar with requirements relating to the handling of hazardous materials?
25. Do they have secure management and control of their evidence in storage?
26. Have they had any formal training in interviewing techniques and note-taking?
27. Can they provide at least three professional references?
28. Are they knowledgeable of the use and limitations associated with using fire modeling or fire models?

Comedy Corner

FRIENDSHIP TOWN

By JON ADAMS
citycrops.com





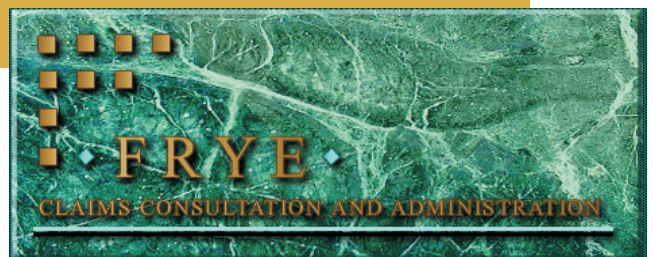
This is not an effective strategy for claim handling.

Engaging **FRYE CLAIMS** is a better idea.

Crossing your fingers and simply hoping for the best is no way to get your claims resolved.

Don't rely on luck to help you reach the result you want. Depend on the industry leader - the industry's choice for over two decades.

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