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Why Californians Are Especially Vulnerable to Insurance Scams

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California residents are especially vulnerable to insurance scams because of an abundance of opportunities related to wildfires. Unlike natural disasters elsewhere in the U.S., thousands of wildfires occur every year in [California](#) over the course of a months-long dry season. It's a large window full of chances for criminals to take advantage of those affected by fires.

In contrast to hurricanes, that can affect thousands of homeowners across great distances, wildfires often affect a relatively concentrated group of policyholders. It's easier for criminals to find victims and they don't miss out on as many potential ones, since wildfires happen frequently. Once they have tried to scam the victims of one fire, they can prepare for the next one before it happens.

It's an issue the California Department of Insurance warns homeowners about every year in the state.

Big checks paid by insurance companies to repair and replace homes are what draw embezzlers. One investigation in California is still ongoing after a man allegedly stole more than \$280,000 from a couple who lost their home to a wildfire. The scam artist was [arrested](#), but the search for other victims continues.

Most con artists impersonate public adjusters and are not licensed in the state where they pretend to do business.

Criminals typically approach wildfire victims alongside lawful public adjusters as soon as the day after the flames are out. They both offer services – to handle a person’s claims process on their behalf – but the scammers obviously are not authorized to do so or act in the interest of the wildfire victims.

There are a number of ways con artists can take advantage of victims. Frequently, they ask victims to sign over checks from their insurance company but instead of using it to pay contractors, the scammer makes off with the money.

Policyholders who suffer a significant covered loss in any state should still consider working with a public insurance adjuster.

They are professionals at evaluating property losses and filing claims on behalf of policyholders, which can save a client time and result in a bigger payout for damages. It can be a remarkably useful service capable of making a homeowner whole again that otherwise wouldn’t have been. In return for their expertise, public adjusters are typically paid a percentage of the money claimed. They just need to make sure they are hiring a good one.

Make sure the public adjuster you’re vetting is licensed in your state. You should ask to see proof and check online to see if they are registered in your state’s database of licensed adjusters.

Policyholders and the public adjuster they are considering should also have a full understanding of what will be expected of either party. Some adjusters might be part of a larger company and won’t be the ones personally handling a claim. Adjusters might also have different levels of communication with clients throughout the claims process. Some clients might want to be updated throughout the process and others might not care – as long as their adjuster is doing his or her job.

Like the hiring process for anyone, it’s a good idea to ask public adjusters for referrals from their previous clients. If they don’t have any credible former clients a policyholder can speak to, that might be reason to seek out another one.

The article *Why Californians Are Especially Vulnerable To Insurance Scams* originally appeared on *ValuePenguin*.

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