



## **Federated Insurance's Claim of the Month — Could it happen to you?**

A customer contacted a dealership salesperson by phone regarding the purchase of a used vehicle from their dealership. The customer provided the required information for the purchase via text messages. The dealership delivered the vehicle to the parking lot of the customer's alleged employer, where the transaction took place. The dealership later discovered that the customer had used a fake identity to procure the necessary documentation required for the transaction, and the financing did not go through. With minimal additional effort, it was discovered that the customer did not work at the business where the parking lot transaction took place, and a completely different person used the fake identity to acquire the vehicle, which was later recovered damaged, resulting in a total loss. The suspect has not been apprehended to date.

*CLAIM AMOUNT: \$34,000*

False-pretense schemes using fake identification are on the rise. Please consider the following tips to help avoid becoming a victim of this crime:

- Verify checks and sufficient funds before accepting them.
- Meet customers face-to-face and be cautious of deals made over the phone or internet.
- Verify the customer's address and place of employment prior to finalizing the deal.
- Finalize financing before releasing vehicles.
- Check multiple forms of identification, such as a driver's license and credit card.
- Consider working with a vendor that verifies driver's licenses.
- Credit cards can be fabricated to identify false information. Verify information obtained from an online search instead of the number on the card.

One of the best forms of prevention is the instincts of your own people. Signs such as a customer behaving in an unusual way, or if they are anxious, in a hurry, or if the deal just appears too easy, may be good reasons to slow the process down, double check everything, and rely on the procedures that you have created to help protect your business.

Federated Mutual Insurance Company is recommended by 19 state and national auto dealer associations for customized insurance programs and value-added risk management services, such as mySHIELD®, the Risk Management Resource Center, and the Federated Employment Practices Network®. Visit [federatedinsurance.com](https://federatedinsurance.com) or [contact your local marketing representative](#) for resources you can use to create or enhance your own risk management program.

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