

**INSURANCE**

## 7 juiciest stories about insurance claims

By Jay MacDonald • Bankrate.com

### Insurance investigators' top tales



Scott Congiusti still chuckles at his introduction to the world of insurance claims adjusting. In particular, there was the warning about rich and famous clients.

"My underwriter told me, 'For the first six months, everything you see is going to blow your mind, and then they're just going to become numbers and things,'" recalls Congiusti, now assistant vice president of personal claims at insurance brokerage HUB International Northeast in Berkeley Heights, N.J. "That's how you have to deal with it. If you get paralyzed every time you see a Bentley, you're in the wrong line of work."

And because the wealthy typically require mountains of insurance to protect their high-end homes, artwork and jewelry, most insurers consider them a valuable asset and handle their claims with care.

"The insurance company's attitude is, 'We want to pay the accurate amount,'" says Tom Kirkpatrick, president of Contents Consulting of Sanibel, Fla. "You rarely hear them say, 'We want to pay the least amount.' That isn't the mentality."

Clients of more modest means can pose challenges, too. These seven stories show that assessing crazy insurance claims can test the skills -- and even the sanity -- of the best adjusters.

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The life of a high-end claims adjuster is part "Antiques Roadshow," part private detective and part U.N. diplomat -- especially when it's time to break some very bad news to a valued homeowner.

Jay Straughan, vice president of claims for Enservio, a contents inventory and valuation service based in Needham, Mass., recalls the subtle way his boss sidestepped being the bearer of bad news following a fire.

"The insured was sitting in his living room with his contractor, telling us how expensive his 350-year-old piano was. My boss, who had inspected the piece, diplomatically asked the contractor to look underneath the piano where the soundboard would have been," Straughan says.

"What kind of wood is that?' my boss asked him. 'Well, that's OSB' (or oriented strand board), the contractor replied. 'So when did they start producing oriented strand board?' my boss asked. The contractor replied, 'Well, it was in the 20th century.' You can imagine the look on the insured's face after telling us this thing is 350 years old when, at most, it was a few decades old.

"When the value difference is tens of thousands of dollars, it requires a lot of diplomacy," Straughan adds.



Tom Kirkpatrick has appraised his share of artwork -- authentic and otherwise. In fact, one of his vice presidents produces "Antiques Roadshow," and several of its appraisers work for him as well. He has seen incredible finds. But he wasn't prepared for the cache he found squirreled away during a post-fire inventory.

"I remember finding some incredible oil paintings that were stuffed behind an old boiler -- not covered, just there. Paintings that were \$150,000 and \$200,000 each, which in my world is something you would wrap and protect very well," he recalls. "The owner's reaction was, 'You know, I always wondered what happened to those. I knew we had more of them.' The fact that they were behind the boiler and not beside it is probably the only thing that kept them from being ruined in the fire."

Kirkpatrick says art forgeries are commonplace, and often the owner has no idea. Occasionally, schemers will knowingly buy a fake and insure it as original before it mysteriously disappears. Do they collect?

"It depends," he admits. "If it has gotten through underwriting and the policy was placed on it, if the misrepresentation can't be proven, they're paid. It really comes down to good underwriting."



Ted Tafaro, president and CEO of Exceptional Risk Advisors, a specialty insurer for high-end clients based in Mahwah, N.J., recalls hearing this pre-Internet claims story that beats the others hands down. It was shared with him by veteran adjuster Joe Healey, rumored to be the inspiration behind the insurance investigator played by George Peppard in the 1970s TV series, "Banacek."

"Joe was engaged by an AD&D (accidental death and dismemberment) carrier that had suspicious, chronic dismemberment claims in this one area of the South," Tafaro says.

AD&D policies, he explains, usually have a schedule: You lose one arm and one leg, or two legs, and you get 100 percent of the benefit; lose one arm, you get 25 percent; loss of a single digit pays 5 percent; and so forth. A \$100,000

policy might pay \$5,000 on a lost finger.

Another insurer was seeing fishy claims in the same region.

"So what he figured out is, there was a clan of guys down there that would buy small AD&D policies from, like, 28 different insurance carriers, and they would sever a digit here, a digit there, and collect 28 dismemberment benefits -- all on the same lost digit," Tafaro says.

Some claims adjusters are just out of their league among the 1 percent.



"A lot of insurance adjusters have contractor skills because of damage to buildings, but when you bring out handmade Italian shoes or a bespoke (handmade) suit, it's a foreign language," says Kirkpatrick. "You can buy a Hermes bag in a certain species of crocodile for \$125,000. So, to tell an insurance adjuster whose home may be worth \$125,000 that someone might own this purse, they'll look at you like you have three heads."

Kirkpatrick's trained eye helped prevent a costly loss when an eager cleaning crew began clearing a fire-damaged Connecticut home before he'd had a chance to inventory its contents. Among the refuse, he discovered a charred Chanel purse containing a \$400,000 diamond and sapphire necklace,

undamaged.

"Closely looking at a woman's purse is key to our process. You never assume there isn't something placed away or in there from the last time they traveled," he says. "The owner was aghast that she had not remembered where the necklace was. She actually thought it was in her safe deposit box. It was a great feeling to help find that."

#### Elvis, Hendrix and Oscar



When her Malibu hillside mansion caught fire, a wealthy socialite escaped with her three most prized possessions: two Persian cats and one pair of army fatigues once worn by the King himself, Elvis Presley.

When Nashville flooded in 2010, a vintage Fender Stratocaster guitar once owned by Jimi Hendrix was among hundreds of flood-damaged instruments.

And when the home of a Hollywood star was broken into, the gown she wore while accepting her Academy Award for Best Actress was among the items missing.

How do claims adjusters put a price on celebrity belongings?

"It depends on whether you can document the provenance," says Kirkpatrick, the source of all three anecdotes. "It comes down to trying to locate photographs or video that might tie it to the celebrity in a much more personal way."

Straughan recites the adjuster's litany: "Who was the designer? Was it an original? Have similar gowns been sold? Has this actor's clothing ever been sold before, and if so, what appreciation in value was attached to it? All of those things are taken into consideration when putting a value on it," he says.

#### The Navajo artifact used as a throw



Claims adjusters often run into people who mistakenly believe they own valuable things. "Part of our skill set is being able to tell people the bad news," Kirkpatrick says.

But adjusters also know that high-priced treasures can turn up in unusual places. Take the 19th century Navajo rug that had been sitting on the back of a



man's couch.

"The owner had literally won it in a poker game, and he brought it to 'Antiques Roadshow' as a lark," Kirkpatrick recalls. "After the 'Roadshow,' he sold it for \$500,000. He had no clue to its value."

The man could barely drive home from the taping. "He was so worried about damaging this piece that was far more valuable than anything he ever thought he would own."

The story of the rather ordinary-looking white blanket with black, brown and gray stripes took on a life of its own after its spectacular "Roadshow" reveal.

"For the next couple years after that, every person across the country who found a white-black-brown-gray dishrag, beach towel or scrap in the dump all thought they had a half-million dollars," Kirkpatrick chuckles.

#### Did that chair just move?



Insurance claims adjusters are trained to inventory property losses. But on rare occasions, it can be tough to tell what's gone and what's still lingering in the shadows.

Such was the case when an Enservio crew returned from a fire-damaged home with one of the strangest stories Straughan ever heard.

As they made their way through the charred wreckage, the crew passed by a room several times, and each time a chair in the room had moved to a different position, apparently without human assistance. When the crew returned home that evening to review their inventory and photos, they noticed a ghostlike image in one of their photographs.

"Everyone who was on-site said that it was very, very creepy, and they had absolutely no explanation for what they were seeing," Straughan says.

The next day, one crewmember tendered his resignation.

"He quit his job," says Straughan. "It was a monumental moment for that person."

Since the incident, several interested parties have contacted Enservio to ask follow-up questions about the house.

"It was in upstate New York," Straughan says, then chuckles. "Where's Amityville?"

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