

KEY FACTS ABOUT VEHICLE PRE-INSURANCE INSPECTION

- Photo Inspection provides effective deterrents to a spectrum of potentially costly frauds including: “Phantom” vehicle frauds, Salvage schemes, Pre-existing damage claims, Duplicate car & title frauds, “Paper” cars & counterfeit title frauds, and more.
- Physical inspection laws have proven to be one of the most effective ways to deter fraudulent property-damage and theft claims.
- The purpose of vehicle inspection is to document the existence and condition of the vehicle, including accessories, to deter fraudulent claims.
- The insurance pay-out for vehicle-related crimes, including real theft and fraud, represents more than all other property crimes combined.
- More than half of the \$15 billion in property-related crimes committed each year are involve motor vehicles.
- The first vehicle pre-insurance inspection program in the U.S. was passed in New York, in 1977. Often called the Photo Inspection Law, it required physical inspection of vehicles, plus photographic evidence.
- Insurance companies ultimately pass the cost of fraudulent claims along to policy-owners in the form of increased premium rates.
- Reducing the number of vehicle-related fraudulent claims helps stabilize insurance rates.
- The large network of inspection facilities makes it easy for policy-holders to locate a convenient location.