



## *Should the insurer pay the legitimate portion of the claim?*

In most states when an insurer uncovers fraud in the claims process it can deny the entire claim even if part of the claim is legitimate. In general, to prove a post-loss misrepresentation, the insurer must establish materiality and intent. A misrepresentation in the claims process is material if it concerns something that was relevant to the insurer's investigation at the time the misrepresentation was made. Intent to deceive can be proved by a significant overvaluation. The insured's act of intentionally overvaluing the personal property claim by \$30,000 is likely to satisfy both the materiality and the intent requirements.

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### **Learn More About AEI's Proving Fraud Self-Study Course**

AEI's course [#512 Proving Fraud](#) provides a thorough explanation of what it takes to legally support a fraud defense. This knowledge will allow fraud investigators and claims professionals to more effectively guide their investigation of a suspicious claim.

This is just one example of how AEI's convenient self-study courses and [programs](#) can increase your claims law knowledge. For more information on the entire Fraud program, click [here](#).