INCIENDIARY FIRES CAN BE SPOTTED
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Soon after a new adjuster begins to handle losses, he hears of the crime of arson. He hears about pyromania, revenge, extortion, and like motivations. He learns that even some firemen are guilty. A prime motivation is profit. Once the adjuster acknowledges these distasteful facts exist, he still finds it difficult to understand how destruction can be profitable, particularly when the insurance is for less than apparent value.

Fire, however, can solve other problems for some. It can raise needed cash. True value may be different from what is apparent. Obsolescence of building, equipment, or stock may be problems solvable by fire. Operations may be unprofitable with no hope for improvement. "Selling out to the insurance company" may appear to be the best solution for these and various similar problems. Arson for profit probably has existed as long as fire insurance and no doubt always will.

Every adjuster becomes convinced of the fact of arson as he gains experience. Many incendiary fires are obvious and so easily spotted that the adjuster's problem is simply to ask, "Who done it?" But some arsonists - or "torches" - use such sophisticated methods that only the trained expert can find physical evidence warranting suspicion. Knowledge of this fact gives a feeling of frustration to the honest adjuster who abhors the deed but feels relatively helpless to solve the crime.

The claimsman we are describing is aware of the apparent miracles experts can accomplish in discovering and preserving evidence, particularly of the physical variety. He likewise recognizes he neither can nor should request outside help on every sizable loss. In the absence of any special discoveries on his part, when should his suspicions be aroused so that he will dig deeper with his own investigation and feel justified in requesting assistance from the arson experts?

The Chicago lawyer, Edward A. McCarthy, of Epton, McCarthy, Bohling & Druth, has had substantial experience in the fire field and has defended some most interesting cases, including at least one involving the "Mafia." In an impressive recent speech he discussed arson for profit. (Since his talk was informal, I asked for and was granted authorization to refer to his statements.)

According to McCarthy, there is a pattern to arson and one or more of four factors are normally in existence. Any adjuster can recognize these "clues" regardless of his experience or skill. If any
one of them is present in the fire, there is then reasonable
ground for suspicion and justification for careful investiga-
tion. If we find two or more, the probabilities increase so
that an extremely thorough investigation is imperative.

If the adjuster finds these factors present, he can begin his
work on the fire with reasonable justification for investigation
in depth. He does not have to dig up this information. Instead,
it is staring him in the face. So let's take a look at these
four factors.

Did the fire occur at night, on a holiday, or over a weekend?
Incendiary fires usually take place at such a time. This is par-
ticularly true when arson for profit is involved. Necessary and
often quite complicated arrangements are required not only to
produce ignition and destruction, but also to obliterate any physi-
cal evidence of the use of accelerants. Right timing for the deed
is highly desirable to the "torch."

While getting this information, the adjuster also determines rapidity
of spread and whether there was more than one apparent point of fire
origin. Either item may be an additional clue to incendiarism,
whether or not for profit.

This ties in with the first point. Experience tells us that arson
for profit almost never takes place when normal business activities
are being conducted. The arsonist works alone and in secret, which
is difficult to do unless the business is closed.

But incendiary fires are by no means limited to businesses. In
any fire investigation, it is proper to determine whereabouts of
the owner at time of origin and discovery, and when he was last
on the property. If the premises were closed and the owner is
alleged to have not been present at time of discovery, and partic-
ularly not at the believed time of origin, there is point number
two to add to the first.

Almost any member of a community may be a potential or actual
arsonist, regardless of occupation or standing. Do not be misled by
who the insured is. The arsonist rationalizes his crime to the ex-
tent that he convinces himself his deed was justifiable and by
no means criminal. Concentrate on the facts.

Keep in mind, however, that even though any person may be a poten-
tial arsonist, the chances are he will not also be a murderer.
There are many known arson cases where extreme care and diligence
were taken to remove any possibility of injury or death to persons
(or pets!). He only wants money and does not want to cause hurt
to get it.

Thus, point number three is added. Where did everybody go? Why
did they disappear? If there were no witnesses, is this the normal
situation? Could the time of origin have been arranged for this
very purpose? Were any steps taken to ensure absence of witnesses,
such as some special notice to occupants, tenants or employees?
Answers to these questions may give even more solidity to point
number three.
Records are vital to operation of a business. Most organizations use extreme care and take many precautions to protect records against every possible contingency. The arsonist for profit may have every motivation for their destruction. The problems contained in his records may well be the reason for the arson "job" - the evidence therein might be dangerous. So burn, records, burn!

And here is point number four. Were the records destroyed? Like the others, it is a very easy item of information to obtain. It can be discovered very early in the investigation.

Points one plus two plus three plus four equal what? What about the mathematics of coincidence? Or the approach can be that of the law of probability. The pattern of these separate items is invariably present in the typical case of arson for profit.

The alert adjuster can recognize the mathematics of coincidence and the necessity for a very thorough investigation. He may or may not be able or permitted to search out all of the available evidence. Most will need professional help. It is most important the adjuster's principals be consulted immediately on discovery of these coincidences, so that proper decisions can be made while physical evidence still exists.

Much can be done to defeat arson that is not being done. It rests with the frontline troops - adjusters on the scene - to be the first to note the signs and wave the warning flag. It has been the attorney's unhappy observation that adjusters have so much work to do, they are often superficial. In their haste to move from one assignment to another, they are not psychologically attuned to those signs which indicate all is not copacetic.

The handling of numerous arson and fraud cases over a period of time has revealed a pattern. The pattern is repetitive. Adjusters who have this knowledge can automatically sense and recognize the signs even if in a hurry. (I might add, parenthetically, that adjusters should not be in a hurry on sizable losses, whether or not arson is suspected.)

Mr. McCarthy made a specific recommendation during his arson discussion. He called attention to lines 113 through 122 of the standard fire policy, where the right of the company to examination under oath is set forth. He stated that this provision can be most useful in an investigation and should not be reserved for only those cases where sufficient evidence has been obtained to justify a defense. (It might be added that, in my own opinion, such examination should be handled only by a competent attorney.)

Our expert went on to say that it is impossible for the arsonist to answer all questions truthfully, including some not concerned with origin. If one little lie is told, McCarthy believes from his experience that the case is almost certainly one of arson for profit and can probably be successfully defended. In conducting an examination under oath, the inquirer has, as his greatest weapon, the guilty mind of the arsonist or defrauder.
Remember, also, that the arsonist needs his money now - not a year or five years from now. Thus, even if ultimately adverse judgment is rendered against the carrier when claim is defended in litigation, this does not spell defeat. The delay in payment has done the necessary damage. It has imprinted a message on the mind of the insured whose activity was suspect that will linger long after the crime has been forgotten. Furthermore, every time an arsonist loses, even if the loss is only that of delay and expense, word gets around to other potential but not yet actual criminals for burning.

Arson for profit is a most important subject. Comments are solicited from the readership. Any suggestions which will help the working adjuster to recognize danger signs will be most welcome. Another column on the subject may very well be the result.

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