

Insurer Investigation Lessons From 'The Real Housewives'

By **Lorelie Masters and Madalyn Moore** (October 31, 2025, 3:34 PM EDT)

Even "Real Housewives" need insurance. On Oct. 9, "Real Housewives of Potomac" star Wendy Osefo, and her husband, Edward Osefo, were indicted on charges of insurance fraud, among other charges.[1]

The Osefos story is a reminder for all policyholders that in insurance, as in life, honesty is the best policy.

Before exploring more of the Osefos story, a primer on insurance fraud is essential. Insurance fraud is regulated in some form in each U.S. state and is enforced irrespective of the identity of the policyholders and the type of insurance policies involved.

Commercial policyholders are not insulated from insurance fraud proceedings. Insurers have brought actions against commercial policyholders seeking a court's declaration that voidance of a commercial property policy was justified, on the grounds that the insured made material or intentional misrepresentations about a claim, for example.[2]

Additionally, most insurance policies, including those issued to commercial policyholders, include a notice or clause warning insureds about the consequences of insurance fraud. These provisions allow insurers to deny claims, void policies or both upon an insured's fraud.

Once an insurance claim is suspected to be fraudulent, often as a result of investigation by the insurer, the insurer can bring the issue to prosecutors and seek criminal prosecution against an insured, pursue a civil case against an insured, or, in some jurisdictions, both.

Criminal Penalties for Insurance Fraud

The required elements of an insurance fraud claim giving rise to criminal liability vary across jurisdictions. Generally, a knowing submission of a false insurance claim by an insured for the purposes of financial gain or benefit can form the basis for criminal liability.[3]

Actually receiving payments from an insurer is not an element of the crime.[4] Additionally, in some jurisdictions, an insured's criminal conviction for insurance fraud may permit insurers to pursue the insured for restitution in a civil cause of action.

Civil Penalties for Insurance Fraud

Civil penalties such as restitution or other remedies can be assessed against an insured when an insurer pays a claim, which was later found to be fraudulent.[5]

Restitution requires an insured to reimburse an insurer for monies paid for a fraudulent claim. Civil penalties are often assessed after an insured has been prosecuted for insurance fraud. In Maryland, where the Osefos live, insurance fraud can be punished either civilly or criminally, or both.



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With this primer, this predicament is a cautionary tale for those with commercial and personal lines of coverage about the investigative tools insurers may use to investigate a suspicious or large insurance claim.

Background

As is often true in insurance, the facts matter, and specifically, what is said in any kind of paper trail — including texts and emails — matters. The Osefos reported a burglary at their home to law enforcement, claiming a resulting theft of about 80 items, including designer purses, jewelry and other luxury goods.

Points of the claim raised suspicions, and investigators found that Osefos claimed a \$200,000 personal property loss and filed allegedly fraudulent insurance claims, claiming a personal property loss totaling more than \$450,000 to three insurance companies.

The investigation also unearthed an email Edward sent to Wendy with an itemized list of items reportedly stolen in the burglary. According to investigators, in his email, Edward asked Wendy whether additional high-value items could be added to the inventory. Edward's email also stated: "I'm trying to get the total to exceed \$423,000, which is our policy maximum."

When insurers receive large or otherwise suspicious claims from policyholders, they are likely to launch a claims investigation, using a variety of tools to help validate the legitimacy and amount of a policyholder's reported loss.

As stated in policy endorsements, insurance fraud, like other kinds of fraud, is illegal and can be prosecuted. Insurers argue that fraudulent claims can drive up the cost of insurance for everyone. The vast majority of claims submitted, of course, are legitimate and, while subject to negotiation between the insured and insurer, are submitted by policyholders who seek the protection for which they bought the coverage.

Policyholders can assist insurers in resolving their claims and maximizing their available coverage for a loss by practicing good recordkeeping, making accurate statements to insurers about a loss, and documenting any changes in the condition of items or premises claimed as part of a loss.

Commercial policyholders in particular are well-served to ensure corporate records pertaining to a loss are preserved, and that corporate representatives have an accurate understanding of the loss when speaking to insurers and cooperate with insurers in as timely and forthcoming a manner as possible.

Additionally, commercial policyholders should ensure changes in a loss's condition are documented in company records and communicated in real time to insurers.

Key Takeaways for Policyholders

1. Practice good recordkeeping.

When making a claim, insurers want to see receipts, proof, timelines and everything an insured has that can justify a policyholder's claim.

The Osefos claimed the theft of more than 80 items of jewelry and other designer goods, with a loss totaling over \$200,000 in retail value. The investigators claimed that \$20,000 of the items that the Osefos reported as stolen had been returned to the store in which they were originally purchased for full refunds.

Insurers will often examine invoices, purchase records, photos and other documentation associated with a loss. Keeping records of costs, maintaining current inventories, and keeping photos of items or a premises can help policyholders obtain the maximum recovery under their policies.

2. Verify the accuracy of statements to insurers.

When submitting insurance claims, being as detailed as possible and in the form expected by insurers

can assist insurers in the claims-handling process and expedite resolution and payment of the claim.

For losses submitted under property insurance, as in this "Real Housewives" example, using an insurer's proof of loss form is ideal. As also shown in this example, however, padding claims or otherwise making written or oral misrepresentations to insurers about the cause of a loss and the damage incurred in a loss can result in denial of coverage for policyholders, policy cancellation or worse — criminal or civil penalties in extreme cases.

Worse off is Edward Osefo, who allegedly gave recorded statements to two of the insurers about the inventory of stolen items he provided, and stated that none of these items had been returned. Investigators claim that almost \$20,000 of items claimed as stolen were returned to the stores from which those items were purchased for full refunds.

Property insurance policies typically give insurers the right to conduct, as part of their claims investigation, an examination under oath, or deposition/sworn testimony.

Having good records and a well-supported claim can help make the examination under oath go as quickly and easily as possible. Requests for examinations under oath should be prepared as diligently and thoroughly as a deposition.

3. Keep track of changes in condition.

In the event of a loss, changes in the condition of an item or premises can conflict with a policyholder's previous statements about those items or premises. For the Osefos, many items that were reported as stolen were allegedly returned.

Further, according to the sheriff's department, the investigation revealed the Osefos tried to make two claims for a diamond wedding band that was reported stolen in the burglary; however, as the investigation revealed, Wendy was later spotted wearing what appears to be the same ring in a photo posted on social media less than two weeks after the reported burglary.

4. Cooperate with insurers during their investigation.

When claims are large or suspicious to insurers, insurers may retain private investigators, third-party appraisal services, accountants and other experts to help verify the statements made by an insured about a loss. Insurers can also use social media, surveillance, and store return logs to help verify or challenge an insured's claims under the policy.

As noted above, insurers often conduct examinations under oath as part of their claims investigation. Submitting to an examination under oath is considered part of the insured's duty to cooperate with the insurer.

Examinations under oath are often used when an insurer has amassed conflicting or recognized information is missing during its investigation. Noncooperation or incomplete cooperation with an examination under oath request can bar coverage for a claim or even void a policy.

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[1] See <https://www.insurancejournal.com/news/east/2025/10/16/843892.htm>. The authors note that the Osefos are awaiting trial and are innocent until proven guilty in a court of law.

[2] E.g., **Nationwide Mut. Ins. Co. v. Ryan** , No. 12-CV-05000-JST, 2014 WL 4793890 (N.D. Cal. Sept. 25, 2014) (finding insurers' voidance of policy justified since insureds' intentional misrepresentation by insured about the cause and number of damages related to a vandalism

incident on the insureds' property fit within policy's fraud and concealment clause).

[3] See Peter A. Alces & Susan Sieger-Grimm, Law of Fraudulent Transactions, Fraud & Insurance Contracts § 3:9. Fraudulent Insurance Claims—Introduction (Sept. 2025 Update).

[4] 44A Am. Jur. 2d Insurance § 2014.

[5] See Peter A. Alces & Susan Sieger-Grimm, Law of Fraudulent Transactions, Fraud & Insurance Contracts § 3:16. Fraudulent Insurance Claims — Insurer's redress — Civil action (Sept. 2025 Update).