



NEW YORK STATE SENATOR

Mark Grisanti

Senator Grisanti announces passage of bills that combat automobile insurance fraud

MARK GRISANTI March 27, 2012

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Senator Mark Grisanti (R-60) announced that the New York Senate passed three bills to combat auto insurance fraud which costs New Yorkers more than \$1 billion a year, as well as legislation that would impose stronger criminal penalties for staging auto accidents.

Recently, high profile cases have uncovered massive crime rings incorporating doctors, lawyers, and scam artists who stage accidents and use New York's no-fault insurance program as their own personal ATM machine.

In Brooklyn, 16 people were arrested and charged with intentionally causing a dozen accidents involving unsuspecting motorists between 2009 and 2011 and then submitting fraudulent insurance claims that defrauded insurance companies for \$400,000.

"Every driver in New York State suffers when they must have insurance to drive and insurance rates are driven so high by the criminals who defraud the system. We must fight back. These bills create a framework to allow our insurance companies to protect legitimate customers while enhancing penalties for law enforcement to better prosecute those who break the law," said Senator Grisanti (R-60). "The Assembly should quickly pass them all so we can bring New York in line with other states and protect the customer's physical as well

as economic health.”

The Senate passed legislation to enable insurance companies to retroactively cancel policies taken out by people who commit auto fraud. The law would allow an insurance company the option of canceling a policy within the first sixty days if the initial premium payment is not honored by a bank. The Second bill passed by the Senate makes it a felony crime with the possibility of seven years in jail for staging a motor vehicle accident. And finally, an effort to crack down on “runners” who receives money for getting clients or patients to participate in insurance frauds by making it a class E felony punishable by up to four years in prison. This is designed to stop the practice of steering accident victims to unnecessary medical treatment at medical mills where they can bill up to \$50,000 worth of medical bills to the insurance companies.

“Auto insurance is a serious crime that costs New York drivers over a billion dollars and tough new penalties are needed to stop these criminals from taking advantage of our no-fault system. People are entitled to affordable insurance coverage without paying for the crimes of a few. Hopefully these bills will soon be law in New York,” said Grisanti.