



NEW YORK STATE SENATOR

Martin J. Golden

Senator Golden Continues Efforts to Lower Auto-Insurance Rates, Cut Down on Fraud

Martin J. Golden

March 24, 2014

Albany, NY – Today the New York State Senate passed S1959A, sponsored by Senator Martin J. Golden (R-C-I, Brooklyn), which allows insurance companies to retroactively cancel policies taken out by people who commit auto fraud. These criminals often take out policies and pay for them with bad checks or stolen credit cards just before they stage accidents. Under current law, insurance companies cannot cancel the policy and policyholders wind up paying for it through higher premiums. This bill would take that burden off honest consumers and therefore lower the insurance rates.

“Auto insurance fraud is costing New Yorkers millions of dollars, and it’s time that fair and honest members of our community stop paying for the crimes of others,” stated Senator Golden. “This legislation will give insurance companies the right to revoke insurance policies for those who try to game the system.”

This measure would bring New York in line with the other large no-fault states and remove any incentives for staged accidents. In fact, only seven other states (AZ, CO, KS, ME, MD, NC and SD) do not allow for retroactive cancellation. Innocent victims of uninsured drivers would be covered under their own policy or the Motor Vehicle Accident Indemnification Corporation.