

New Insurance Fraud Fighting Laws in Effect in Minnesota

By: Coalition Against Insurance Fraud

Minnesota now has two new laws that allow civil actions against those who commit insurance fraud, the Coalition Against Insurance Fraud announced.

The strong anti-fraud measures became law when Gov. Mark Dayton signed a larger omnibus bill containing the provisions into law on June 14.

Dayton vetoed the original bill recently, according to the Coalition. The legislature held a special session to resolve his differences over measures unrelated to fraud fighting. The result was a shorter bill that included the anti-fraud measures.

Insurance fraud has become a major problem in areas of Minnesota.

The coalition said organized rings have infiltrated the state, defrauding auto insurers with large claims for bogus treatment involving setup vehicle wrecks. The new anti-fraud powers were aimed in part at these operations.

Civil actions are potent anti-fraud measures. The state commerce department gains flexibility to take swift action without waiting for the often slow-moving criminal justice system to prosecute. Large civil fines also can bankrupt swindlers and deter others.

Kicking dishonest providers out of the insurance system can choke off their primary source of income. Many swindlers are out of business when deprived of the ability to lodge false insurance claims against insurers.

Fraud fighters have lobbied for two years to enact the crime-fighting provisions.

The Coalition had recommended them to legislators two years ago. They were drafted into proposals, and added this year to the large omnibus bill.

The Coalition also mounted a grassroots letter-writing campaign urging fraud fighters to have their legislators to support the bill.

“The new anti-fraud provisions send strong signals to the criminal underworld that Minnesota is becoming a high-risk state with dwindling prospects of illegal profits,” said Howard Goldblatt, the Coalition’s director of government affairs.

“The coalition said organized rings have infiltrated the state, defrauding auto insurers with large claims for bogus treatment involving setup vehicle wrecks. The new anti-fraud.”



**Coalition Against
Insurance Fraud**