

Coalition to Senate: NY no-fault reforms: "long overdue"

ALBANY, N.Y. -- New York's legislature should pass legislation targeting widespread staged-crash rings that are driving up auto premiums and draining insurers, the **Coalition Against Insurance Fraud** told the state senate insurance committee.

"The time is ripe for New York to pass an anti-fraud agenda targeting those who systematically attack the no-fault system, thus harming the state and its residents," said Howard Goldblatt, the Coalition's director of government affairs. "Fraud weakens the foundation on which New York's no-fault system is built."

The Senate insurance committee held hearings last week to continue mapping out a potential reform agenda targeting staged-accident rings this year.

Among the no-fault reforms that New York needs, Goldblatt called upon lawmakers to:

- * Make it a specific crime to recruit members for staged-crash rings, and to be a recruiter;
- * Make staging a crash a specific crime. A Senate bill has been introduced;

- * Give insurers adequate time to investigate suspicious claims;

- * Let insurers rescind auto policies back to their inception if cheaters buy coverage using bogus checks and dummy bank accounts; and

- * Authorize the insurance department to bounce dishonest clinics from the no-fault system.

Suspicious claims from staged crashes spiked 10 percent from 2008 through 2010, according to NICB. Nearly 60 percent of questionable claims last year flowed from New York City. Buffalo ranked next-highest

"New York consumers clearly are paying dearly for increased auto fraud. This crime is draining consumers, insurers and the state's economy. It is past time to tackle the high fraud tax that all consumers are paying," Goldblatt said.

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**Coalition Against
Insurance Fraud**