

Group wants O'Malley's to sign bill beefing up penalties for insurance fraud

By: IFAwebnews Staff

A national group fighting insurance fraud is asking Maryland's governor to sign a bill that would impose large civil penalties and expand immunity for fraud fighters.

The **Coalition Against Insurance Fraud** wants Gov. Martin O'Malley to sign the bill, which provides those fighting fraud who are working jointly on cases with greater immunity.

"Maryland has struck a solid blow against insurance fraud. Fraud fighters now have stronger tools to root out schemes and put the masterminds out of business. This will greatly benefit the honest residents of Maryland" says Howard Goldblatt, director of government affairs for the coalition.

The bills cleared the statehouse April 6. O'Malley should sign the bills into law as soon as possible, Goldblatt urged.

The fraud bureau could bring civil actions against scammers under one bill. The actions would impose large fines, and require repayment of the stolen insurance money. Civil actions are especially useful in dismantling larger fraud operations that traffic in staged crashes, healthcare schemes and other lucrative big-dollar fraud enterprises.

"Civil actions would clearly get at the profit motive of these criminals. Big-time fraudsters would pay far beyond the insurance money they stole. It definitely gets at their wallets," Goldblatt said in recent testimony before key House and Senate committees.

Imposing large civil fines can help wipe out a fraud ring's profits, undermine its operations and deter others.

Civil actions also have higher odds of success than criminal prosecutions because the burden of proof is lower. The fraud bureau also brings the action itself, without requiring often-overworked prosecutors to decide whether to take the case.

Neighboring states New Jersey and Delaware have passed laws enabling civil and administrative actions. This echoes a growing trend among states to expand their affordable options for attacking fraud rings.

The immunity bill brings Maryland into line with the other 30 states that have similar broad-immunity laws. The broad measure clearly grants fraud fighters immunity from being sued for defamation while exchanging case information. The bill closely tracks the Coalition's model immunity law.

States with broad immunity laws such as Maryland's receive an average of 18 percent more case referrals from insurers and other sources than states that offer little or no immunity,

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**Coalition Against
Insurance Fraud**