

Holly Benson claims Florida leads the country in automobile accident fraud

Fraud was a hot topic during the July 31, 2010, debate between Pam Bondi, Jeff Kottkamp and Holly Benson, all Republican candidates for Florida attorney general.

At one point, Bay News 9 anchor and debate co-host Al Ruechel asked, "Why is it that Florida is so ripe for all sorts of fraud? Mortgage fraud, Medicaid fraud, and what can the AG's (Attorney General) office do to cut that down?"

Benson was the last candidate to answer the question, beginning her response by saying, "You know, even yesterday I read that Florida is now the number one state in the country for automobile accident fraud." She then returned to Medicaid and went on to say that she would put in place "laws with teeth" so that the "bad guys would get put away" and that they wouldn't be able to use Medicaid as a money-making scheme.

We've heard a lot about mortgage and Medicaid fraud, but not so much about automobile accident fraud, so we decided to look into it.

Benson's office sent us a link to an article published by the South Florida *Sun Sentinel*, on May 11, 2010. The article points to a May 2010 report from the National Insurance Crime Bureau, which describes itself as a "leading not-for-profit organization exclusively dedicated to preventing, detecting and defeating insurance fraud and vehicle theft." Nearly 1,100 property and casualty insurance companies and self-insured organizations support the NICB, according to the group's website.

The NICB report says that questionable claims involving possible staged accidents increased 46 percent from 2007 through 2009. Broken down by state, Florida leads the pack, with 3,006 questionable claims submitted. New York came in second, with 1,680 claims. On a city level, New York City was the clear winner -- 1,304 questionable claims were submitted by NICB's insurance members between 2007 and 2009.

Tampa was second with 562 claims submitted during the same time period.

Right away, we notice that the NICB report that Benson's campaign seems to be relying on is not a

But according to the Coalition Against Insurance Fraud, buyers of these cards are tricked into thinking they have purchased insurance, which is not the case.



ranking of the number of auto insurance fraud convictions by state. As Frank Scafidi, director of public affairs for the NICB, explained to us in an e-mail, "Our staged accident reports ... are based on the voluntary submission, or referral, of insurance claims deemed 'questionable' by the companies handling them. These are claims that are suspicious and may contain some indication of potential fraud so companies can elect to refer them to us for further review and investigation."

Just because a claim is submitted as questionable, however, does not necessarily indicate that fraud occurred.

"The mere referral of a claim in no way deems it fraudulent and many questionable claims turn out to be perfectly legitimate," Scafidi said.

Unfortunately, NICB was unable to provide us with the number of questionable claims that turned out to be legitimate.