

No-Fault Reforms Introduced in Florida

Legislature Attempts to Tackle PIP Fraud Problems in the Sunshine State

By: James Quiggle, Coalition Against Insurance Fraud

Legislation clamping down on widespread sham medical clinics and staged crash rings that are looting Florida's no-fault insurers was introduced in the state legislature March 16 (SB 1930 and HB 1411).

"These bills set up new roadblocks against fraud factories that mass-produce bogus crash-injury claims. Dishonest clinics are quack shacks pretending to practice legitimate medicine while looting auto insurers," Florida consumer advocate Walter Dartland, co-chair of the Sunshine Alliance to Erase Fraud, said.

The Sunshine Alliance is helping spearhead passage of the companion Senate and House bills. Florida insurers, consumer advocates and law enforcement are jointly pursuing no-fault fraud reforms through the Sunshine Alliance. Co-chair Dartland also is a board member of the **Coalition Against Insurance Fraud**.

"Floridians are paying a 'fraud tax' on top of their car insurance every year and will continue to do so unless we close loopholes in the system," said State Sen. Ellyn Bogdanoff, author of the Senate version. Rep. Jim Boyd is sponsor of the House version.

Among the provisions, the bills:

Increase penalties for cheaters who illegally seek medical-clinic licenses

Provide insurers more time to investigate suspicious claims

Confirm that insurers have a right to conduct examination under oaths and independent medical exams to uncover potential fraud

Require responding police to list all passengers involved in a crash

The House bill also would create a state authority to investigate and prosecute auto-insurance fraud.

Sham clinics and staged-crash rings are mass-producing bogus injury claims. Large and often complex rings have spread rapidly throughout Florida beyond their traditional strongholds in the Miami area in recent years. The Sunshine State thus has become the nation's epicenter for these schemes.

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**Coalition Against
Insurance Fraud**

No-fault fraud will add about \$1 billion in costs to Florida's no-fault auto system by the end of 2011 if current trends continue, says the Insurance Information Institute. Fraud also imposes a "fraud tax" of nearly \$100 on two-car families each year, the institute says.

"I am serious about putting these crooks behind bars and eager to implement reforms that will help reduce the fraud in our auto insurance market that is costing Floridians hundreds of dollars a year in increased premiums," said Jeff Atwater, Florida's Chief Financial Officer, who participates in the Sunshine Alliance.