

## Where The Insurance Cheaters Are

By: CarInsurance.com

Registering and insuring your vehicle using your sister's address in the next state or your parents' house in a neighboring county might seem a clever way to save money on your car insurance rates.

In some cases, doing so might save you hundreds or even thousands of dollars a year. In Bullhead City, Ariz., for example, a 40-year-old man driving a 2012 Honda Accord would pay about \$729 a year. But across the Colorado River in Laughlin, Nev., the same driver would pay about \$1,580.

Compare what drivers pay in these neighboring ZIP codes:

- Attleboro, Mass.: \$977 Pawtucket, R.I.: \$1,860
- Fort Smith, Ark.: \$1,075 Roland, Okla.: \$2,116
- Hazel Park, Mich.: \$2,485 Detroit: \$4,314

You can check out the differences in your city with CarInsurance.com's Nosy Neighbor tool.

The temptation is clear enough. But if you're caught with your car registered at the wrong location, you could see your auto insurance claim invalidated or a bill for unpaid premiums in your mailbox.

And if you live in New Jersey, you might soon face criminal charges.

So what's the harm in cheating?

While fudging on your address might seem harmless enough, it's a practice known as rate evasion, and it's considered a form of insurance fraud. A 2010 report by Quality Planning Corp., an industry analyst, put the cost to insurers at more than \$1 billion a year.

"It's one of those issues that cause consternation," says Howard Goldblatt, director of government affairs with the **Coalition Against Insurance Fraud** in Washington, D.C. The nonprofit's membership is made up dozens of insurance companies, consumer groups and government organizations.

With rate evasion, people claim to live in another state or that their car is garaged there, in order to pay lower insurance rates. They might also say they live in another, less costly county in the same state.

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**Coalition Against Insurance Fraud**