



NEW YORK STATE SENATOR

Martin J. Golden

Senator Golden Joins Senate Passage of Bill to Crack Down on Auto Insurance Fraud

MARTIN J. GOLDEN March 23, 2011

| ISSUE: **INSURANCE FRAUD**

Bill Sets Tough Penalties for Staging Car Accidents

Albany- State Senator Martin J. Golden (R-C-I, Brooklyn) yesterday voted to pass a bill in the New York State Senate that would prevent insurance fraud by making it a felony to intentionally cause a vehicle collision. The legislation, sponsored by Senator James L. Seward (R-C-I, Oneonta), targets criminals who capitalize on vulnerable motorists in attempts to profit from insurance claims.

Senator Golden stated, "Criminals who stage car accidents recklessly put lives at risk for their own financial gain while at the same time forcing all New Yorkers to spend more on auto insurance. Innocent people should not be subjected to this criminal enterprise. This legislation provides a deterrent to those who commit no-fault fraud, and will improve roadway safety and reduce insurance costs for all."

“Criminals trying to rip off the system by staging auto accidents are also putting innocent lives in jeopardy,” Senate Majority Leader Dean Skelos said. “This bill would crack down on the practice by creating tough new criminal penalties for staging car accidents, and it would have the added benefits of reducing fraud, lowering insurance costs and making our streets safer.”

Many have fallen victim to insurance fraud schemes, with women and elderly drivers most often targeted for these accidents because they are less likely to be confrontational after an accident, thereby making it easier for criminals to engage in this activity. In addition to the potential risk of injury or death, there are significant economic impacts to the state, with estimates that no-fault insurance fraud costs insurance companies and their policyholders \$1 billion per year.

This bill would establish tough penalties by creating a new crime of staging a motor vehicle accident. A person could be convicted of a class B, C, or D felony depending on prior criminal history, specifics of the staged incident, or if injury or death occurred. The bill would take effect on the first November after enactment.

The bill has been sent to the Assembly.