



NEW YORK STATE SENATOR

Martin J. Golden

## Senate Passes Measures to Protect New York's Motorists

MARTIN J. GOLDEN March 23, 2015

The New York State Senate today passed four measures to keep New York's roadways safe. The bills create tougher crimes to deter criminals who seek to commit automobile fraud by staging car accidents, allow auto insurers to cancel fraudulent policies, close a dangerous loophole that allows drunk drivers to avoid prosecution for leaving the scene of an accident, and enforce tougher penalties for those who drive without a license.

Senate Majority Leader Dean G. Skelos said, "We must do everything we can to ensure that our roads are safe. These measures passed today are a step in the right direction to help prevent dangerous and costly auto insurance fraud, protect drivers from criminals who exploit insurance companies and put innocent lives at risk, and hold reckless drivers accountable for their actions."

### **Cracking Down on Auto Fraud**

New York is a 'no-fault' state, which allows an insurance provider to cover damages incurred to its customer in an accident regardless of who's at fault. This benefit paves the way for criminals to stage and intentionally commit car accidents to file fraudulent insurance claims for fake crash injuries and rob insurance companies and their policyholders. In many cases, these criminals obtain a policy by submitting a bad payment, either by using a nonexistent bank account or stolen credit card information. Under current law, automobile insurers are

not permitted to retroactively cancel policies for nonpayment of premiums.

**To prevent this type of fraud, the Senate passed legislation (S1471) sponsored by Senator Martin Golden (R-C-I, Brooklyn) that removes the incentive to stage automobile accidents by permitting auto insurance companies to cancel newly issued private passenger automobile insurance policies. The bill would allow retroactive cancellation of the policy if a payment is made with insufficient funds or the identity used to procure the policy turns out to be fraudulent.**

**Senator Golden said, “New York State must toughen laws and make every effort to prevent incidents of auto insurance fraud. The cost of this fraud is being felt by all New Yorkers as the cost of car insurance premiums continue to increase. A major contributing factor within this conversation is that of the staging of accidents, which endangers all pedestrians and motorists, and has lasting financial repercussions. Insurance companies must be able to protect their legitimate customers, and I hope the State Assembly will join the State Senate in adopting this legislation to increase penalties against those abusing the insurance system.”**

Another bill to crack down on auto fraud (S3511), sponsored by Senator James L. Seward (R-C-I, Oneonta), would enact “Alice’s Law” which would create new crimes for those who stage a motor vehicle accident. Alice Ross, a 71-year-old wife and grandmother, was killed as the result of a fraud-related, staged auto accident. One of the criminals drove into her car, causing her to lose control of her vehicle, hitting a tree.

Senator Seward said, “Criminals who stage auto accidents endanger lives and drive up auto insurance costs for every New Yorker. The perpetrators who commit this crime have a complete disregard for public safety and care only about making a buck. Innocent people should not be made pawns in this sometimes deadly offense. The Senate has taken action in the past to shut down these criminal enterprises and it is time the Assembly join us in this effort to stop insurance fraud.”

The new crimes created by this legislation would make it a: Class B felony if a person causes serious personal injury or death to another person other than a participant while staging an accident; Class C felony if a person is found guilty of staging a motor vehicle accident and

has been previously convicted of an insurance fraud crime within the past five years; and Class D felony if a person operating a motor vehicle intentionally causes a collision to commit insurance fraud or arranges to have another person intentionally cause a collision.

### **Holding Drivers Who Leave The Scene of An Accident Accountable**

Legislation (S405), sponsored by Senator Patrick M. Gallivan (R-C-I, Elma), would enact “Alix's law” which would close a legal loophole and hold intoxicated drivers accountable for leaving the scene of an accident.

On July 8, 2011, 18-year-old Alix Rice was killed by a drunk driver as she rode home on her skateboard in Amherst, Erie County. In 2012, the driver, Dr. James G. Corasanti, was acquitted of manslaughter, leaving the scene of an accident, and evidence tampering. He did serve eight months in jail after being convicted of misdemeanor drunken driving.

Senator Gallivan said, “As a former state trooper and Sheriff of Erie County, I have seen too many innocent lives end because of reckless behavior behind the wheel. This legislation closes a dangerous loophole and holds drunk drivers accountable for their actions. Once again, the Senate has overwhelmingly supported Alix’s Law. It is now up to the Assembly to do the same.”

The current law only requires drivers to report an accident when they know or have reason to know the accident resulted in an injury or property damage. Under this loophole, drunk drivers are able to flee the scene of an accident they caused and later claim they did not know any injury or damage occurred.

### **Enforcing a Tougher Penalty for Unlicensed Driving**

Lastly, a bill (S247), sponsored by Senator Jack Martins (R-C-I, Mineola), strengthens the penalty for those who operate a vehicle without a license from a violation to a misdemeanor

charge of aggravated unlicensed operation of a motor vehicle in the third degree.

The bills will be sent to the Assembly.