



## Putting the brakes on Staten Island insurance fraud

**Staten Island Advance** By **Staten Island Advance**

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STATEN ISLAND, N.Y. -- Who doesn't want lower car insurance payments?

Talking geckos and shopping reduced rates may work, but sneaky routes like registering an auto out of state may prove to be more difficult now that legislation to crack down on the practice is a step closer to becoming law.

Among the tougher penalties would be jail terms of up to 15 years.

"The bill adds teeth to make folks think twice about committing fraud and stealing money from the pockets of their fellow Staten Island drivers," said Sen. Diane J. Savino (D-North Shore/Brooklyn), the bill's co-sponsor. The measure passed in her house 60-1 with one abstention in June, and now awaits a nod from the Assembly during the next session.

"Honest drivers are forced to pay for those who don't pay what they truly owe."

Last year, more than 10,000 New York residents misrepresented where their vehicles were garaged or driven, resulting in a loss of \$23.8 million in insurance premiums, according to the Insurance Frauds Bureau. Florida and Pennsylvania were the top two states used by New Yorkers trying to circumvent state insurance prices, which averaged \$1,171.97 -- the fourth-highest rate in the country.

In one case, "There were 161 vehicles used in New York registered to one Pennsylvania address," Sen. Savino said. "One family in Brooklyn provided an address to Pennsylvania to obtain auto insurance for 14 vehicles."

"It's an abuse that's been going on for many years," said Borough President James Molinaro. "It's fraud -- as if I said I was a 27-year-old man to get a lower premium on my life insurance."



An Advance photographer driving through Clifton spotted plates from four other states in a very short time.

"There are all kinds of different games -- some are legitimate, some are fraudulent," Professor Jonathan Peters, the economist and transportation expert at the College of Staten Island, said of the out-of-state plate situation. In some cases, there are New York "snowbirds" who spend the colder months in Florida. "So, technically, the reason for the Florida plate is seasonality as long as it is not done in an abusive way," he said. "It could be looked at as an expedient way to lower costs. Tracking down the frauds will produce a major revenue source."

Strengthening the existing toll-free hotline -- 888-FRAUD-NY -- for Islanders to report out-of-state plates is seen as a way to help return the state to solvency. Suspected cases of insurance fraud could be reported to the attorney general, the district attorney and/or the Insurance Frauds Bureau for a cash reward of up to 15 percent of the proceeds of the action or a settlement of the claim not exceeding \$25,000. Creating a website or involving texting to collect tips to assist in the investigation and prosecution of insurance fraud crimes are in discussions as well.

Other ideas are to direct the superintendent of state police to establish a statewide Insurance Fraud Reward Program paying between \$1,000 and \$5,000 in awards to anyone who provides information leading to the arrest and conviction of persons guilty of insurance fraud. The rewards program would be financed through the State Police Motor Vehicle Law Enforcement Account. Revenue for the account is collected from surcharges levied on all motor vehicle insurance policies issued in New York.

Some of the strengthened penalties would include up to four years in state prison for auto rate evasion. Forging a certificate of insurance or an insurance identification card would carry a maximum sentence of seven years in state prison; forging 10 or more documents could result in a 15-year sentence.

"We want to see real penalties imposed," said Marc Craw, vice president of the New York Insurance Association Inc. "The current laws for this crime are so weak that criminals aren't afraid to commit fraud-profiting at the expense of New York drivers."

"Insurance fraud has become more prevalent in the state as the economy has worsened, and both the insurance industry and honest taxpayers are the victims," said District Attorney Daniel Donovan. "I support any legislation that would give law enforcement the tools to more effectively prosecute these crimes, and that empowers citizens to bring them to our attention."

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