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## **FRAUDSTERS DRIVE NEW YORK'S DESPERATE NEED FOR FUNDAMENTAL AND SYSTEMIC NO-FAULT REFORM, NYIA TO TESTIFY AT SENATE HEARING**

**ALBANY, N.Y., Feb. 3, 2010**—The New York Insurance Association, Inc. (NYIA) charges the broken no-fault system in New York for cultivating criminals in defrauding New York's insurance consumers.

In testimony prepared for delivery tomorrow, Feb. 4, 2010, at the Senate Insurance Committee regarding no-fault fraud in New York State, Ellen Melchionni, president of NYIA, identifies the many fraudulent crimes that delinquents are currently getting away with because of the widespread problems with the state's no-fault system. Costs are spiraling out of control to nearly unprecedented heights because of bogus medical mills and unscrupulous medical providers, predominantly in the New York City area, billing for treatments that were never performed, unnecessary or excessive.

Speaking on behalf of auto insurance companies doing business in New York State, she said that extensive and comprehensive legislative and regulatory solutions need to be put into place to even begin to address the moving target of no-fault fraud. "The state needs to be committed to truly cracking down on criminals committing fraud if there is going to be any real impact in decreasing the rampant abuse of the no-fault system in the state," she said. "And once better laws are in place to successfully arrest and prosecute offenders, we need to be vigilant in monitoring the activities of fraudsters to be sure additional loopholes are not found to further exploit New York drivers."

Among the recommendations NYIA offers are giving carriers the necessary time to determine whether a no-fault claim is fraudulent, bundling and processing individual medical bills as one claim, reforming the dispute resolution system to get the more minor cases out of the overburdened court system, decertifying medical providers who engage in fraudulent activities from receiving no-fault reimbursements, creating guidelines for medical treatments similar to workers compensation claims and making the practice of recruiting claimants to medical mills a felony.

The New York Insurance Association (NYIA<sup>®</sup>) is a state trade association that has represented the property and casualty insurance industry for over 125 years. For more information on NYIA, visit [www.nyia.org](http://www.nyia.org).

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