



PRESIDENT: REP. FRANK WALD, ND
VICE PRESIDENT: SEN. ALAN SANBORN, MI
SECRETARY: REP. BRIAN KENNEDY, RI
TREASURER: SEN. JAMES SEWARD, NY
EXECUTIVE COMMITTEE CHAIR: REP. ROBERT DAMRON, KY

FOR IMMEDIATE RELEASE

CONTACT: Susan Nolan
Candace Thorson
NCOIL National Office
518-687-0178

NCOIL TARGETS AUTO INSURANCE FRAUD, ADOPTS MODEL LAW

Boston, Massachusetts, July 25, 2006—The National Conference of Insurance Legislators (NCOIL) targeted costly auto insurance fraud on July 22, when legislators at the NCOIL Summer Meeting here adopted an *Auto Insurance Fraud Model Act* that would take a four-pronged approach to fighting illegal insurance activity.

The model law, sponsored by a contingent of New York legislators, would make it a felony to procure or attempt to procure an individual for the purpose of committing insurance fraud; make it a second-degree felony, punishable by a minimum two-year jail term, to stage auto accidents, whether in person or on paper; and restrict access to accident reports for 60 days, with certain exceptions.

The model also would allow for a one-year suspension of the license or registration of anyone convicted of insurance fraud while using a motor vehicle, with any license/registration reinstatement fees double the normal charges.

Sen. Pamela Redfield (NE), chair of the NCOIL Property-Casualty Insurance Committee, noted that “Consumers pay a significant price for auto insurance fraud, which in some states results in an especially costly ‘fraud tax’ on law-abiding policyholders. NCOIL enactment of the anti-fraud model law will help public policymakers curb illegal activity and lower auto insurance premiums for their constituents.”

The model bill is based on initiatives in Florida and New York, two states struggling with rampant auto insurance fraud, and builds upon previous NCOIL anti-fraud efforts. The Coalition Against Insurance Fraud was instrumental in drafting the model act.

The P-C Committee adopted the model law on July 21 and referred it to the Executive Committee, which likewise approved the bill the following day.

The July 20 through 23 NCOIL Summer Meeting took place at the Boston Park Plaza Hotel & Towers.

NCOIL is an organization of state legislators whose main public policy concern is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committee responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

For further details, please contact the NCOIL National Office at 518-687-0178.

#