

PUT THE BRAKES ON **ACCIDENT FRAUD**

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Governor Scott, CFO Atwater Join Consumers, Business Leaders, Law Enforcement Officials and Concerned Floridians to Urge the Legislature to Put the Brakes on Accident Fraud and Abuse *PIP Movement Takes to the Capitol to Urge Action*

Tallahassee, Fla. – Florida Governor Rick Scott and Chief Financial Officer Jeff Atwater today joined a broad coalition of Florida consumers, business leaders, law enforcement officials and concerned citizens to urge the Legislature to take immediate action this session to ‘Put the Brakes on Accident Fraud and Abuse’ in the personal injury protection (PIP) system.

PIP is a \$10,000 coverage plan that all Florida motorists must carry according to the law. The original concept behind PIP was to ensure that injured drivers could receive prompt payment of medical bills for the treatment of auto accident injuries which eliminated the need for consumers to litigate their claims in court. However, loopholes in the current law which are costing consumers hundreds of millions of dollars due to staged accidents, expensive and unnecessary medical procedures, and inflated attorneys’ fees.

According to the National Association of Insurance Commissioners, Florida insurance consumers pay **56 percent more** than consumers in other states for automobile insurance. In addition, the National Insurance Crime Bureau states that Florida led the nation in questionable insurance claims from 2007 to 2009, with four of the top 10 U.S. cities with the highest rate of staged-accident in Florida: Tampa, Miami, Orlando and Hialeah.

Also attending the coalition event with Governor Scott and CFO Atwater today was former Florida Insurance Commissioner Bill Gunter whose 1977 investigative report to identify comprehensive solutions to fix the PIP problem was highlighted during the press conference. Though fraud, abuse and excessive litigation were identified as problems **12,482 days ago** – and counting – PIP remains the domain of those who exploit the broken system in order to enrich themselves at the expense of consumers – further illustrating that the PIP system is long overdue for meaningful reform and the Legislature must act this session to end the **nearly \$1 billion fraud tax** and stop accident fraud.

“I have met with many concerned Floridians across the state on this issue. They are afraid of staged accidents, they are afraid of being victims of these accidents and afraid of how these accidents can impact their insurance rates. I urge the Senate and the House to work together on a comprehensive package that will actually get to the root of the problem and address this issue once and for all,” said Governor Scott. “This is a tax on Floridians, plain and simple. Because you live in Florida and have a law that has been improperly used, it costs more to live in our state. We have to fix this.”

“Every day, I hear more and more deceptive and coercive advertisements that seem to encourage fraudulent claims,” said Cydnee Knoth, a resident of Tampa who traveled to Tallahassee to urge the Legislature to act on PIP. “I am a good driver, but with current trends, I will soon be priced out of the automobile insurance market.”

“Florida's auto insurance system has been infiltrated by a circling pool of vicious sharks looking to make their millions off the backs of consumers,” said CFO Atwater. “By taking decisive action to drive down costs, we can protect Florida insurance consumers from being preyed upon.”

“Florida cannot sustain the ever-growing burden of a broken PIP system. Florida families and businesses continue to take the brunt of this unresolved billion dollar problem,” said David Hart, executive vice president of the Florida Chamber of Commerce. “We are hopeful and expectant that the 2012 Session will be marked by comprehensive change. We cannot wait any longer for relief from the expense of fraud and litigation abuse.”

“Florida’s no-fault system is creating problems for Florida’s businesses and consumers,” said Tom Feeney, president and CEO of Associated Industries of Florida. “Florida is the No. 1 state in the nation for fraudulent auto insurance claims and home to four of the 10 worst cities for auto insurance fraud. In order for this legislation to successfully impact Florida consumers and businesses, we truly believe it must have teeth to it. Florida consumers and businesses deserve nothing less.”

“Undercover investigations show that many participants in staged accidents are part of a larger group,” said Steve Casey, executive director of the Florida Sheriffs Association. “PIP fraud has become an organized crime that Florida’s sheriffs are aggressively addressing so we can keep our roads safer and save taxpayers money.”

This broad coalition has been vocal and active for months, urging lawmakers in the Senate and House to pass a comprehensive legislative solution to the PIP problem. The coalition urges lawmakers to include the following key elements to a comprehensive legislative PIP package:

1. Reasonable limitations on attorneys’ fees to remove the incentive to file frivolous lawsuits at the expense of Florida drivers.
2. Increased anti-fraud controls to identify suspicious claims and allow insurers time to investigate those claims to avoid unnecessary payments paid by innocent consumers.
3. Enhanced controls on medical costs, through clarification of the medical fee schedule and other tools that rein in high utilization of questionable medical procedures, the costs of which are passed on to consumers.

“Florida consumers and businesses have been waiting far too long for real change. I commend policymakers for listening to the real stories of those who are suffering under a broken system,” concluded Governor Scott. “We must not let another year go by without reform. Let this be the session of real change for drivers and businesses across our state.”