



For Immediate Release

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**BUSINESS LEADERS CALL ON LEGISLATURE TO CUT FRAUD TAX
Business Council, Chambers Join Push for No-Fault Auto Insurance Reform**

NEW YORK, NY May 10, 2011 – Fraud Costs New York, a statewide coalition dedicated to curbing the rampant auto insurance fraud that costs New Yorkers and small businesses millions of dollars every year, today announced that the New York State Business Council, along with Chambers of Commerce from Manhattan, Brooklyn, Queens, Staten Island and Long Island, have joined the fight for no-fault auto insurance reforms.

“The State Legislature took an important step by cutting spending in the new budget, but now they must cut ‘funding’ for criminals by reforming the no-fault auto insurance laws,” said Heather Briccetti, acting president of the New York State Business Council. “By reforming the no-fault system, Albany can cut the ‘Fraud Tax’ and reduce costs for small businesses across New York.”

New Yorkers pay the third highest premiums in the nation for auto insurance, while downstate car owners pay as much as 272 percent more than the national average in insurance premiums – an outrageous sum that amounts to a “Fraud Tax” on the people of New York. Criminals defrauded the no-fault auto insurance system of more than \$200 million in 2010.

Jack Friedman, Executive Director of the Queens Chamber of Commerce, said, “In this difficult economy, the challenges facing New York’s business community are immense. These problems are compounded by rampant fraud in the State’s no-fault auto insurance system which drive premiums beyond the reach of many businesses and force them to pass the costs onto their customers by way of price increases for goods and services. Our State Legislature owes it to business owners and consumers alike to cut the ‘Fraud Tax’ and cut it now.”

Luis Lopez, President of the Long Island Hispanic Chamber of Commerce said, “No-fault auto insurance fraud is a bread and butter issue that directly impacts anyone who does business in New York. Even businesses that do not utilize a company vehicle are forced to pay for the fraudulent activity of these criminals. For example, when a local restaurant receives their daily delivery of produce, a portion of the price they pay is used to cover the outrageous insurance premiums that the delivery drivers are forced to pay. It’s time to stop the fraud and put dollars back in the pockets of small business owners.”

Manhattan Chamber President Nancy Ploeger said, “Small businesses face enough pressure in today’s economy without having to pay a ‘Fraud Tax’ to criminals. The Legislature can demonstrate its commitment to helping small businesses, and the thousands of jobs they provide, by enacting common sense reforms to the no-fault laws.”



“The ‘fraud industry’ has ballooned into a multi-million dollar a year criminal enterprise that is costing small business owners all over the State,” said Linda Baran, president of the Staten Island Chamber of Commerce. “Without fundamental reforms in Albany, criminals will continue to milk the system and gouge New York’s business community. Enough is enough. Cut the ‘Fraud Tax’ and cut it now.”

Fraud Costs New York is a coalition of community groups, small businesses, elected officials and law enforcement committed to reforming the State’s no-fault auto insurance system and stopping insurance fraud and lawsuit abuses that drive up costs for consumers. Rather than a complete overhaul of the system, the coalition is urging comprehensive change to a system that is not working as cost-effective and efficiently as its originators intended.

The reform agenda includes:

- Tougher penalties for insurance fraud
- Combating excessive and unnecessary medical charges
- Permitting adequate time for fraud investigations and
- Encouraging fast and fair dispute settlements by requiring medical providers to submit no-fault claims to an arbitrator.

Kristina Baldwin, assistant vice president for Property Casualty Insurers Association of America said, “Without real reform in Albany, criminals will continue to gouge honest New Yorkers and leave small business owners to foot the bill by way of higher insurance premiums. New York’s no-fault auto insurance system needs sensible reforms that maintain real protections for New Yorkers who are hurt in accidents, but undercut the criminals who feed on the current system and contribute to the increasing financial burdens that small business owners face across the State. It’s time for Albany to act.”

Fraud Costs New York’s coalition members include:

- New York State Business Council
- Manhattan Chamber of Commerce
- Brooklyn Chamber of Commerce
- Queens Chamber of Commerce
- Staten Island Chamber of Commerce
- Long Island Hispanic Chamber of Commerce
- Great Neck Chamber of Commerce
- Kings County District Attorney Charles Hynes
- New York City Councilmember Peter F. Vallone, Jr.
- New York City Councilmember Peter Koo
- New York City Councilmember Daniel J. Halloran
- New York City Councilmember Albert Vann
- New York City Councilmember Ruben Wills
- Town of North Hempstead Supervisor Jon Kaiman
- Nassau County Legislator Rich Nicoletto



- Nassau County Legislator Joe Scannell
- Nassau County Legislator David Denenberg
- Queens Civic Congress.

For more information regarding Fraud Costs New York, please visit: <http://www.issues.com/new-york/>

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