



# LEGISLATIVE POSITION

PROFESSIONAL INSURANCE AGENTS OF NEW YORK STATE INC.

25 Chamberlain St.  
PO Box 997  
Glenmont, NY  
12077-0997  
(518) 434-3111  
(800) 424-4244

**LEGISLATIVE  
REPRESENTATIVE**  
The Roffe Group P.C.  
of Robinson + Cole

**DIRECTOR OF  
GOVERNMENT &  
INDUSTRY AFFAIRS**  
Bradford J. Lachut, Esq.

**EXECUTIVE  
DIRECTOR**  
Kelly K. Norris, CAE

**Memorandum in support of: S.5232—by Sen. Comrie  
A.3851—by MOA Weprin**

*AN ACT to amend the Penal Law, in relation to the crime of staging a motor vehicle accident in the second degree.*

The Professional Insurance Agents of New York State Inc. strongly supports S.5232/A.3851, legislation that will significantly enhance efforts to combat insurance fraud by targeting individuals who orchestrate staged motor vehicle accidents. This common-sense measure is an important step in protecting both public safety and the financial well-being of New York's insurance consumers.

## **Background and purpose**

Imagine driving on a quiet road, when suddenly, another vehicle swerves into your lane and causes a collision. This scenario is not a mere accident but a premeditated act, orchestrated to defraud insurance companies and, by extension, every honest policyholder in New York. This is the grim reality of staged motor vehicle accidents, fraudulent schemes that not only inflate insurance costs but also puts lives at risk.

Staged automobile accidents are a dangerous and costly form of insurance fraud. These schemes are not only fraudulent but also put innocent motorists at serious risk. Criminals often stage accidents to file fraudulent injury claims under New York's no-fault insurance system, ultimately inflating losses borne by insurers and driving up premiums for all policyholders.

While the current law—enacted under Alice's Law (2019)—appropriately criminalizes individuals who directly participate in staged collisions, it does not hold accountable those who plan, hire, or pressure others to carry out these dangerous schemes. S.5232/A.3851 would close this loophole by amending Penal Law Section 176.75 to include those who “direct, hire, request, encourage, orchestrate, or invite” others to intentionally cause motor vehicle collisions.

## **Why this legislation matters to New York policyholders**

Insurance fraud is not a victimless crime. Every fraudulent claim paid by an insurer adds to the pool of costs that it uses to calculate risk and set rates. As a result, fraudulent claims drive up auto insurance premiums for everyone—including the most responsible and safest drivers.

According to industry estimates, no-fault fraud costs New York insurers and their policyholders over \$1 billion annually. These costs are passed on in the form of higher premiums, disproportionately affecting lower-income drivers who are already struggling with affordability.

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By enabling law enforcement to prosecute the organizers behind these staged accidents, S.5232/A.3851 strikes at the heart of organized insurance fraud. This will act as a deterrent, help reduce the frequency of fraudulent claims, and over time relieve pressure on auto insurance premiums.

**Public safety benefits**

Beyond financial harm, staged accidents often endanger the lives of innocent drivers. In many cases, elderly and female drivers are deliberately targeted, as they are less likely to escalate confrontations at the scene. In one tragic example, Alice Ross, a 71-year-old grandmother, lost her life in a staged accident on Long Island. S.5232/A.3851 not only helps prevent financial fraud—it helps save lives.

**Support S.5232/A.3851**

S.5232/A.3851 is a targeted, meaningful expansion of New York’s criminal law that will:

- deter organized insurance fraud,
- protect honest consumers from rising premiums,
- improve public safety on New York’s roads, and
- strengthen the integrity of the no-fault insurance system.

PIANY urges the Legislature to pass S.5232/A.3851 without delay. This is a smart and necessary step toward a fairer and safer insurance marketplace for all New Yorkers.