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Insurance Fraud in Tampa Area; Is easier than ordering a Pizza

Part 2

There isn't any doubt that insurance fraud is a booming business in the Tampa-Hillsborough area. Personal Injury Insurance, PIP abuses, help crooks rake in over \$2.2 million daily* through staged accidents, bogus medical billing practices, a few 1-800 referral services and by questionable legal fees. These crooks see the PIP coverage as their own personal unlimited ATM machine with a pin number of 5668 ("Loot") at will. This is the second installment of this series.

I complained for years to my insurance agent Cecilia Wise, Great Florida Insurance, about my ever increasing insurance premium. Last month she hooked me up with Chris Foley of Bruner's insurance. Chris is an officer with an agents' group fighting insurance fraud, the Fraud Alert Team. I met with Chris for lunch in Temple Terrace at **Lupton's Buffet**, an all you can eat restaurant. He gave me an education about the insurance fraud situation. (www.TheFraudAlertTeam.com).

The heart of the insurance fraud problem is centered on PIP, the ease to commit fraud, the quick payments by insurance companies and lack of strong effective law enforcement/ legislation in our area.

The insurance fraud business in Florida, for the most part, was first started and perfected in Miami-Dade. For many years insurance fraud operators had impunity from any organized law enforcement efforts to stop them or even prosecute those in their crooked trade. The problem got so bad that Miami-Dade took aggressive anti-insurance fraud actions. They formed a multi jurisdiction task force to specifically fight insurance fraud. Their efforts were very successful. The insurance fraud folks packed their bags, lessons learnt and moved to Tampa-Hillsborough.

Tampa-Hillsborough started seeing an above average and rapid rise in insurance fraud about five years ago. The insurance agents, the folks on the front lines, were the first to notice and to be impacted insurance fraud. The agents got complaints from policy holders of premium increases. But most alarming these agents also saw their businesses start to crumple around them. Many of the insurance companies they had placed policies with over the years were leaving the Tampa-Hillsborough market. The amount and frequency of fraud claims were driving down their profits. The agents were finding it more and more difficult to retain their insurance companies or to attract new companies to this fraud infested market. Policy holders suffered the most, even if they shopped around, they still encountered jacked up insurance premiums.

The insurance agent formed the 'Fraud Alert Team for four principle reasons; put an end to insurance fraud, to stop the consumer complaints that they were constantly getting from policyholders, to educate the public and for the self- preservation of the agents' industry profession.

PIP insurance coverage is the fuel that powers the vehicle of insurance fraud. So just what is PIP insurance coverage? In a quick overview, you get hurt in a vehicle accident; your insurance company pays your medical, loss salary and funeral expense up to \$10,000. With this coverage, the determination of who was at fault is not an issue for payment. Before the insurance law changes of the 70's, fault had to be established before bodily injury claims were paid. Often this took years. Now most claims are paid in thirty days. Certainly not enough time for insurance adjustors to investigate many claims for that could be riddle with fraud. That's a major weakness in the system.

Here is how the typical PIP insurance fraud works. Assuming you **are not** involved with the fraud and is really injured in an auto accident. You might have heard an advertising claiming you have \$10,000 to collect from your insurance company. Yeap there is \$10,000 alright, but not for you. By the time you visit the various crooked and unregulated medical facilities and lawyers there is zero left for you. You are dumped as soon as your PIP policy is depleted. Unless you have other medical insurance coverage, you are out of luck.

The medical facilities can basically charge basically whatever fee they can get away. These fees can vary from one facility to the next depending on how much is unspent on your PIP policy. These fees can also be hiked up at will without a legitimate justification.

Under the example above, you would not get any money in your pocket for your loss of income if you visited a medical facility first (crooked or not). Immediately when you enter these facilities their **mission one** is to drain and use up all of your PIP benefits. They have the most amazing get well treatment plans. The patients seem to get better when the PIP money is all gone. Oh well miracle do happen.

The only drivers getting money are those involved with the initial staged crashes. Many of these crooks are recruited at flea markets. They make between \$500-1500 per claim tax free.

Most of the 1-800 numbers that advertise a referral service for medical and legal services are legal businesses in the advertising field. They work very hard to help injured automobile accident victims to get proper medical care and legal representation. Saying that all the 1-800 referral services are crooked would not be accurate. Many are small mom and pop type of businesses. I don't believe that 95% of these firms are knowingly involved with PIP fraud. Their advertisings attract mostly people not intentionally involved with insurance fraud but who had an accident and don't know what to do. In many cases they offer a valuable consumer information service. However I do believe that a very small percentage of these 1-800 referral services are public front companies for those clinics and lawyers who do commit PIP fraud. These small percentages of services are very well distanced from their real owners and handlers. Those crooked clinics and lawyers who receive referrals from these 1-800 numbers are involved with intentional insurance fraud by quickly draining all the money from PIP policies.

The 1-800 numbers advertising agencies are outside of the rim of law enforcement because they strictly offer advertising services to medical facilities and lawyers.

The 1-800 services charge a fee to send referrals. Since these advertising agencies don't touch people for medical procedures and since don't give legal advice, they are beyond regulations.

Commissioner Kevin Beckner has started the process on the county commission to stop insurance fraud. Mr. Beckner is working very closely with The Fraud Alert Team.



Kevin Beckner



At the insurance agent's last meeting, Mr. Beckner was given a Certificate of Appreciation for his efforts in supporting the group's causes.

He wants immediate action by the county commission for his proposal. His proposal has wide spread implications to those in the business of sending referrals, treating auto crash victims for injuries and others. There will be wide spread oppositions from those in this industry. There will especially be opposition from the clinics, lawyers and the 1-800 medical and legal referral services.



Victor Crist

Commissioner Victor Crist, a voice of caution about new county regulations, wants time to study the proposal.

Mr. Crist says, "It's time to close the loop holes that allows criminals to take advantage of PIP insurance. But it's also very important that our fix focus on criminals and we don't harm, injure or control the legitimate people in the industry".

There is bound to be sparks between those two on the best way to stop PIP insurance.

Any real solution may have to come from the state legislature. But will those extremely powerful lawyers' lobbyists get in the way of any meaningful legislation?

Part 3 is coming soon.

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*Florida Legislature office Economic and Demographic Research document titled, "Florida Population Estimates for Counties and Municipalities: April 1, 2000-2009