



Global Risk Newsletter

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Why do auto premiums keep going up?

You are not alone when you ask this question. In fact as consumers, we at Global Risk ask the same question. Here are some of the answers.

The biggest driving force for premium increases today is FRAUD. The cost of illegal claims is built into your premiums. Florida's Chief Financial Officer, Jeff Atwater estimates that premiums to cover fraud cost a typical family about \$400 per year.

Just in January five people were arrested in Miami-Dade charged with faking car accidents, recruiting people to stage wrecks or filing false claims. Combined the scammers billed insurance companies for \$170,000 worth of medical treatment that was never performed. More than 400 people have been charged with these crimes in the past two years. South Florida ranks second in the nation among metropolitan regions collecting insurance claims for phantom injuries in auto accidents that never occurred. We have the fourth highest premiums in the nation.

Sometimes your premiums are increased because you have had losses and the insurance company

categorizes you into a higher class resulting in a higher premium but fraud is another major factor.

We at Global Risk will continue to lobby legislators to make limiting auto insurance fraud a priority for the Florida State Legislature. We can't afford to continue without reforms to limit auto insurance fraud.