

\$1.3 Million Lawsuit Against Multiple New York No-Fault Medical Providers Filed

New York (November 15, 2013) – Farmers Insurance Exchange and affiliates have filed a lawsuit in the Supreme Court of the State of New York against more than 40 New York No-Fault Medical Providers alleging violations of NY Business Corporation Law, NY Education Law, NY Professional Limited Liability Company Law as well as Regulation 68, which is part of the implementing regulation governing No-Fault Automobile Insurance in New York.

The lawsuit, which seeks damages of \$1.3 million against the various defendants, alleges an illegal fee splitting scheme with unlicensed laypersons which resulted in their submitting claims for No-fault related services allegedly provided to individuals who were involved in automobile accidents.

The lawsuit alleges, the No-Fault providers are not entitled to receive No-Fault reimbursement as they are not properly owned, operated and controlled by licensed medical professionals.

This is the 5th insurance fraud lawsuit filed by Farmers Insurance in New York this year. Farmers has claimed damages of over \$5.7 million through 12 lawsuits filed in New York since 2011.

“This case is illustrates our commitment to fighting insurance fraud in the State of New York,” stated Sean Zavala, director of special investigations for Farmers Insurance. “We will file civil actions when appropriate to deter anyone who submits fraudulent insurance claims. It is our commitment to our policy holders to protect them from fraud.”

<https://newsroom.farmers.com/2013-11-15-1-3-Million-Lawsuit-Against-Multiple-New-York-No-Fault-Medical-Providers-Filed>