

Farmers Insurance Files Major Fraud Lawsuit Against Multiple New York No-Fault Medical Providers

LOS ANGELES, Jan. 8, 2015 /PRNewswire/ -- Farmers Insurance Exchange and its affiliates (collectively "Farmers") have filed a lawsuit in the state Supreme Court of New York against more than six New York no-fault medical providers seeking damages of approximately \$360,000, in addition to punitive damages and the invalidity of any pending or future claims. The lawsuit alleges an illegal fee splitting scheme with unlicensed professionals, which may have resulted in planned courses of unnecessary treatment and testing for the purpose of profit.

As alleged in the complaint, the defendants are accused of engaging in a system scheme to defraud Farmers by submitting bills for reimbursement of no-fault related services purportedly rendered to individuals who were reportedly involved in automobile incidents. It is further alleged that this scheme included the creation of multiple sham professional corporate entities owned, operated and controlled by laypersons and non-medical professionals, and the submission of thousands of phony healthcare bills, which are deceptive, fraudulent and in violation of New York law and public safety.

This is the 16th insurance fraud lawsuit filed by Farmers Insurance in New York since 2011.

"We are committed to investigating insurance fraud and working with the state to bring an end to this type of abuse," stated Sean Zavala, director of special investigations for Farmers Insurance. "We cannot allow our customers insurance premiums to be impacted by these harmful practices."

About Farmers InsuranceSM

Farmers Insurance Group of Companies[®] is a leading U.S. insurer group of automobiles, homes and small businesses and also provides a wide range of other insurance and financial services products. Farmers Insurance is proud to serve more than 10 million households with more than 20 million individual policies across all 50 states through the efforts of over 50,000 exclusive and independent agents and approximately 22,000 employees.

For more information about Farmers[®], visit its Web site at www.farmers.com or at www.Facebook.com/FarmersInsurance.

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