

Article summary and reaction paper

Law



Article Summary and Reaction paper Staged Car Crash at West Palm Beach, Florida The article by Adam Sacasa describes a fraudulent insurance claim involving Ricardo Pargas and his wife. The incidence relates to insurance law on fraudulent claims. Alien Moya had paid the couple \$ 2000 to execute the car crash at West Palm Beach, Florida (Sacasa, 2014). The staged car accident also linked to another fraudulent clinical scheme at Chiropractic Center. On January 11, 2010, at around 9. 20 p. m., a Chevrolet pickup hit Parga while driving a Ford pickup. The investigators described the crash as minor because both drivers drove away after the crash. Nevertheless, Parga visited the Karow Chiropractic Center and treated for the injuries (Sacasa, 2014). The treatment cost was settled by Allstate Insurance that amounted to \$ 19 386. 25. Later, FBI investigators unraveled the fraud. Investigators made arrests and charges on Ricardo Pargas and Alien Moya. They both attested guilty.

The FBI (2015) recognizes insurance fraud as among the greatest challenges to insurance companies in the U. S that costs nearly \$40 billion, annually. The incidence at West Palm Beach, Florida involved violation of the Florida Insurance Fraud Statute (Penal Code, Title XLVI, Chapter 817) (The Florida Legislature, 2015). The law outlines circumstances that involve insurance fraud. The insurance fraud greatly affected the insurance company, Allstate Insurance, which had to pay \$ 19 386. 25 as compensation for fraudulent claims. The articles describe the impact of staged accidents to the insurance company. Under the law, insurance fraud is punishable as provided in subsection (11) when rendered the accused is guilty of either having an intent to cause injury, knowingly engages in the defraud or has motives to deceive the insurer. Charges are also applicable when there is evidence that <https://assignbuster.com/article-summary-and-reaction-paper/>

the accused is proven to knowingly disguise critical information when filing the claim.

References

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