



February 3, 2022

The Honorable Kumar Barve and Members of the Committee
House Standing Environment and Transportation Committee
Room 251
House Office Building
Annapolis, MD 21401

Dear Chairman Barve and Members of the Committee:

I am writing on behalf of the National Insurance Crime Bureau (“NICB”) in support of House Bill 487, an act relating to nonconsensual towing.

Headquartered in Des Plaines, Illinois, and with a 108-year history, the National Insurance Crime Bureau is the nation’s premier not-for-profit organization exclusively dedicated to leading a united effort to prevent insurance fraud and crime through intelligence-driven operations. NICB sits at the intersection between the insurance industry and law enforcement, helping to identify, prevent, and deter fraudulent insurance claims. NICB’s approximately 400 employees work with law enforcement entities, government agencies, prosecutors, and international crime-fighting organizations in pursuit of its mission. While NICB provides value to our member companies, we also serve a significant public benefit by helping to stem the estimated billions of dollars in economic harm that insurance crime causes to individual policy holders across the country every year.

NICB maintains operations in every state around the country, including in Maryland where NICB works together with law enforcement, state agencies, and prosecutors in a joint effort to protect Maryland consumers. NICB is an unmatched and trusted partner in the fight against insurance fraud.

Automobile accidents remain a significant issue for policymakers across the country. According to the Centers for Disease Control and Prevention, road traffic crashes are the leading cause of death in the United States for people aged 1-54. Accidents often cause significant strain on victims. In addition to dealing with any serious injuries that may result, victims must often report to law enforcement and file insurance claims. Handling ongoing medical issues; managing follow-up appointments with either medical professionals, insurance carriers, or law enforcement agencies; and providing additional written material that may be required all pose significant burdens on victims as they deal with the after-effects of their misfortune.

This high-stress situation creates the perfect opportunity for unscrupulous towing companies to exploit accident victims. Some towers often take advantage of confusion at the accident scene or even after the fact by falsely claiming the tower was dispatched by an insurer or police. NICB has seen examples of towers charging accident victims exorbitant fees for a tow requiring only a few-miles – sometimes as high as \$10,000 for a single, routine tow. In some situations, the towing company will hold the car hostage until the towing fee is paid, all the while racking up significant storage fees. Moreover, predatory towers have been known to tack on vague fees such as “transfer,” “gate,” gasoline, or excessive administrative fees.

In July 2018, the National Council of Insurance Legislators (NCOIL) adopted model towing legislation aimed at better protecting consumers. Several states and municipalities have followed suit over the past few years, directly responding to these malicious practices by enacting their own towing-reform legislation or bills based on the NCOIL model.

House Bill 487 aims to protect Maryland drivers in a number of ways, including requiring the Department of State Police to: create a publicly available list of towing companies authorized to perform nonconsensual towing services for commercial vehicles; establish qualification standards for towing companies seeking inclusion on this list; adopt regulations establishing approved rates for nonconsensual towing of commercial vehicles and restricting a towing company's ability to charge above the established rate; and adopt further regulations to investigate and adjudicate complaints. The bill will also require reasonable access to a vehicle regardless of payment and restricts storage fees at the time of demand in the event of a non-consensual towing.

These measures will help reduce the risk of entities engaging in unscrupulous towing practices, address the common issue of exorbitant towing fees, and establish needed regulations for nonconsensual towing. **Accordingly, NICB respectfully requests your support for House Bill 487.** We thank you for considering our views as you deliberate the merits of this bill. We strongly encourage you to utilize NICB as a resource and partner in the fight against unscrupulous towing activities.

If you have any questions or need additional information, please contact me at edecampos@nicb.org or 847.989.7104.

Respectfully,



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