



February 25, 2026

Hon. Pam Beidle and Members of the Committee
Committee on Finance
Maryland Senate

RE: NCIB Support for Senate Bill 0894

Dear Chair Beidle and Members of the Committee:

On behalf of the National Insurance Crime Bureau (NICB), I'm writing to express NICB's strong support for Senate Bill 0894. NICB is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Maryland. Working hand-in-hand with our member companies and Maryland state and local law enforcement, we help to detect, prevent, and deter insurance crimes.

Insurance fraud is not a victimless crime. A 2022 study placed total U.S. insurance fraud at \$308.6 billion. Fraudsters will exploit every avenue, forum, and opportunity to bilk consumers and their insurers to line their own pockets, which ultimately increases costs for everyone. Unfortunately, the courtroom is not immune. Fraudsters and their affiliates have engaged in predatory and abusive litigation tactics and employed tools to advance—and conceal—their aims. NICB is concerned that, absent additional transparency and accountability, litigation financing can serve as a facilitator of fraud.

For example, NICB recently assisted the U.S. Department of Justice's investigation and prosecution of a massive trip-and-fall fraud scheme in New York, which defrauded businesses and their insurance providers of more than \$31 million. This organized insurance fraud scheme included deliberate, unnecessary surgeries performed on victims simply to drive insurance claims and lawsuits upward. The surgeries, as well as other medical procedures, were funded by litigation financing companies. The financiers also paid the fraud scheme organizers and participants referral fees for each patient who signed a funding agreement, charged the patients (who were overwhelmingly low income) absurdly high interest rates, and the majority of the proceeds awarded in the fraudulent lawsuits went right back to the financiers themselves.

Most recently, a new joint analysis conducted by NICB and 4WARN—a digital risk intelligence company—has uncovered a strong connection between third-party litigation financing (TPLF) and excessive litigation instigated by fraudulent digital tactics and opportunistic marketing. In one case, a single funder supported 13 law firms that targeted 66 different insurers to drive claims litigation and maximize the investor's return. NICB's assessment shows that funders targeted U.S. insurers at significant scale—with nearly 75% of insurance companies assessed being directly targeted by opportunistic litigation marketing campaigns, many of which were resourced by outside funders. Some of the digital manipulation tactics used in TPLF-facilitated fraud include search engine diversion, brand impersonation through cloned portals and misleading domains, and AI-generated content. The schemes often include “runners” that coach, recruit and coordinate plaintiffs, law firms, complicit medical providers, and digital marketing firms.

To combat TPLF-facilitated fraud, NICB calls upon lawmakers to adopt pro-transparency and accountability measures to help reveal funding sources—including beneficial ownership and foreign participation—and combat the improper incentives that attract fraudsters.

Senate Bill 0894 would increase consumer protection and transparency in the legal system by creating a regulatory framework for TPLF in Maryland, requiring financiers to be licensed and classifying such financing as a loan subject to existing lending laws. Further, it would mandate disclosure of litigation financing contracts to all parties in a civil case and

makes these contracts discoverable in legal proceedings. **Accordingly, NICB strongly supports Senate Bill 0894 and urges passage of this legislation.**

Thank you for your time and consideration of our views. As always, please consider NICB a resource and partner in the fight against insurance crime. If you have any questions or need additional information, please contact me at hburris@nicb.org or 847-707-2554.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hannah Burriss', written in a cursive style.

Hannah Burriss
Director, Strategy, Policy and Government Affairs
National Insurance Crime Bureau