



# Trends and Developments in Combatting Insurance Fraud

---

Craig Sepich

Director, Strategy, Policy & Government Affairs

July 17, 2025

# About NICB

With a **110-year heritage**, the National Insurance Crime Bureau (NICB) is the nation's premier not-for-profit organization dedicated **exclusively to fighting insurance fraud and crime**.

NICB membership includes **more than 1,200** property-casualty insurance companies, vehicle rental companies, auto auctions, vehicle finance companies, self-insured organizations and strategic partners.





# Inflated Billing Fraud

---

- Unscrupulous actors exaggerate scope of loss or cost of repair
- Charge for unwarranted services or treatments
- Services or treatment fictitious
- Common with:
  - Contractor Fraud
  - Bodily Injury/PIP Claims
  - Predatory Towing

# Inflated Bill Fraud Trends

---

- Roofing (2022 to 2023):
  - 15% increase (Inflated Damages)
  - 46% increase (Fictitious Losses)
- Predatory Towing (2022 to 2024):
  - 53% increase (Inflated Invoices)
  - 23% increase (Fictitious Losses)
- Auto QCs (2022 to 2024):
  - 41% increase (Faked/Exaggerated Injury)
  - 62% increase (Fictitious Losses)

# Inflated Billing: Legislative Efforts

---

- **Louisiana House Bill 651 (2024)**
  - Expands definition of insurance fraud to include any document that misrepresents the scope of damages or costs associated with a property insurance claim.
  - Law effective August 1, 2024.
- **Minnesota Senate File 4097 (2024)**
  - Expands prohibitions on price gouging after a severe weather event to include tree trimmers and restoration providers.
  - Law effective August 1, 2024
- **Kentucky Senate Bill 24 (2025)**
  - Expands the definition of insurance fraud to include any misrepresentations of scope of damages from a claim
  - Includes towing and storage benefits
  - Excludes offers/counteroffers by legal counsel in a BI claim
  - Law effective July 27, 2025

# Prosecuting Insurance Fraud

---

- Prosecution rates consistently low.
- Prosecutors lack bandwidth due to case loads and funding.
- Some states lack robust fraud statutes

## Policy Recommendations:

- New venues for fraud cases  
Louisiana SB 369 and North Dakota HB 1094 (2023)
- Dedicated/Statewide Prosecutors
- Increased Funding for AG Offices/DOI Fraud Units

# And continue focus on legal system abuse: Such as TPLF, AOB, and More

---

## TPLF Fraud Nexus

- Financing litigation based on fraudulent claims
- Kickbacks to fraudsters and victims
- Majority of proceeds go to Financiers
- i.e., NY Slip/Fall Case

## Policy Recommendations

- Increased transparency requirements needed
  - i.e., Georgia SB 69
  - Requires disclosure of prior criminal records.
- Anti-Fraud amendments to NCOIL model

# Questions?

---