

February 22, 2023

Chair Doug Larsen and Members of the Committee
Senate Industry and Business Committee
North Dakota Senate

RE: HB 1094 – Relating to the Prosecution of Insurance Fraud - SUPPORT

Dear Chair Larsen and Members of the Committee:

The National Insurance Crime Bureau (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 North Dakota. Working hand-in-hand with our member companies and North Dakota law enforcement, we help to detect, prevent, and deter insurance crimes, including insurance fraud. 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 policyholders across the country every year.

Insurance fraud is not a victimless crime. A joint industry study conducted in 2022 by Colorado State University-Global estimated the total cost of insurance fraud in the United States, including health and life, to be \$306 billion per year. The study was commissioned by the Coalition Against Insurance Fraud, in collaboration and partnership with NICB. Separately, the FBI estimates that over a 10-year period, insurance fraud costs the average U.S. family between \$4,000 and \$7,000 in increased premiums. Consumers throughout the country, including those in North Dakota, are directly impacted by the harms created by illegal actors committing these crimes.

Providing the tools and resources needed to investigate and prosecute insurance fraud is vital to help stem the tide of this growing problem. Criminals committing insurance fraud in North Dakota often escape prosecution because of tight restrictions on prosecutors' ability to establish venue for crimes committed in the state, especially due to improved technology and easier access to insurance products online. House Bill 1094 keeps pace with technological advances by creating additional statutory contact points for prosecutors to establish venue for criminal charges alleging insurance fraud.

Accordingly, we support House Bill 1094 to provide the insurance fraud prosecutors the appropriate tools to enforce North Dakota's insurance fraud laws.

We thank you for considering our views as you deliberate the merits of the bill. If you have any questions or need additional information, please contact me at csepich@nicb.org or (847) 772-7667.

Sincerely,



Craig Sepich
Assistant Director
Strategy, Policy, & Government Affairs
National Insurance Crime Bureau