

January 26, 2012

Representative Peter Lund  
Chairman, Insurance Committee  
124 N Capitol Ave., PO Box 30014  
Lansing, MI 48909-7514

Subject: Senate Bill 298

Dear Chairman Lund:

The National Insurance Crime Bureau (NICB) is a national, not-for-profit organization supported by 1,100 property/casualty insurance companies, including many who write business in Michigan. Working with our member companies and law enforcement, we investigate organized criminal conspiracies dealing with insurance fraud and vehicle theft.

Because of our interest in insurance fraud issues, we wanted to express our strong support for Senate Bill 298 pending before the Michigan House Insurance Committee. If enacted, this measure will assist the efforts of insurers, regulators, and law enforcement to curb the high cost of fraud in Michigan.

NICB's internal questionable claim repository indicates a substantial increase in medical provider fraud in Michigan. Examples include:

- Michigan ranks #3 nationally in medical questionable claims submitted
- Medical questionable claims have spiked almost 200% in one year alone
- Overall questionable claim submissions in Michigan have risen 70% in the past year - 80% of these claims are tied to suspected medical fraud

Runners and cappers are known to swamp accident victims with misleading information, intrusive personal visits and telephone calls who often share the profits from bogus insurance claims. Often times, unscrupulous lawyers and medical providers are also a part of these organized criminal enterprises. Combined with strong enforcement, this legislation will assist the fight against insurance fraud in Michigan.

NICB strongly supports Senate Bill 298 before the committee. If you have any questions, feel free to contact me at 847-544-7080 or via email at [tlynch@nicb.org](mailto:tlynch@nicb.org)

Regards,



Timothy Lynch  
Director, Government Affairs

cc: Peter Kuhnmuensch, Executive Director, Insurance Institute of Michigan  
Dyck Van Koevering, General Counsel, Insurance Institute of Michigan