

April 12, 2023

Hon. Sara Coffey and Members of the Committee  
House Committee on Transportation  
House of Representatives

RE: H. 143 – Towing - SUPPORT

Dear Chair Coffey 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 Vermont. Working hand-in-hand with our member companies and Vermont state and local law enforcement, we help to detect, prevent, and deter insurance crimes, including abusive tow practices.

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.

Consumer protections within H. 143, including prohibiting crash scene solicitations; requiring towers to visually document the location of the tow and any vehicle damage; requiring estimates on scene; and requiring towers to possess a state license will all go a long way toward protecting

Vermont motorists from being victimized by dishonest towers. **Accordingly, we respectfully request your support for H. 143**

We thank you for scheduling a hearing and 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 towing fraud. If you have any questions or need additional information, please contact me at [hhandler@nicb.org](mailto:hhandler@nicb.org) or 847-544-7083.

Sincerely,

A handwritten signature in blue ink that reads "Howard Handler". The signature is written in a cursive style with a prominent initial "H".

Howard Handler, MPPA  
Senior Director  
Strategy, Policy and Government Affairs