

January 28, 2025

Chair Adrian Dickey and Members of the Committee
Subcommittee on Commerce
Iowa Senate

RE: Senate Study Bill 1038 – Abandoned Vehicles – Support

Dear Chair Dickey 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 Iowa. Working hand-in-hand with our member companies and Iowa law enforcement, we help to detect, prevent, and deter insurance crimes, including vehicle theft. 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 fraud and related crime causes to individual policyholders across the country every year.

NICB is helping lead the fight against predatory towers who prey upon consumers, often in moments of distress, by inflating invoices with exorbitant fees. For example, high-stress situations like vehicle accident scenes create the perfect opportunity for fraudsters to exploit accident victims. Some predatory towers take advantage of confusion at an accident scene or even after the fact by falsely claiming that they were 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 other situations, towers may hold a 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.

Unfortunately, predatory towing tactics have extended beyond accident scenes. NICB is seeing increased instances of abandoned vehicle scams perpetrated by these same fraudsters. Predatory towers are increasingly taking advantage of vague or outdated abandoned vehicle laws to take possession of vehicles and force consumers, vehicle finance, and leasing companies to lose their ownerships interests. When owners attempt to retrieve their vehicles, unscrupulous towers are charging exorbitant storage fees.

Senate Study Bill 1038 would combat this growing trend by strengthening notice requirements to vehicle owners, protecting the right of vehicle owners to inspect their vehicle, and requiring that any towing and storage fees be reasonable. This bill is a commonsense first step toward reining in predatory towers and protecting Iowans.

Accordingly, we ask for your strong support of Senate Study Bill 1038.

We thank you for scheduling a hearing and 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

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