



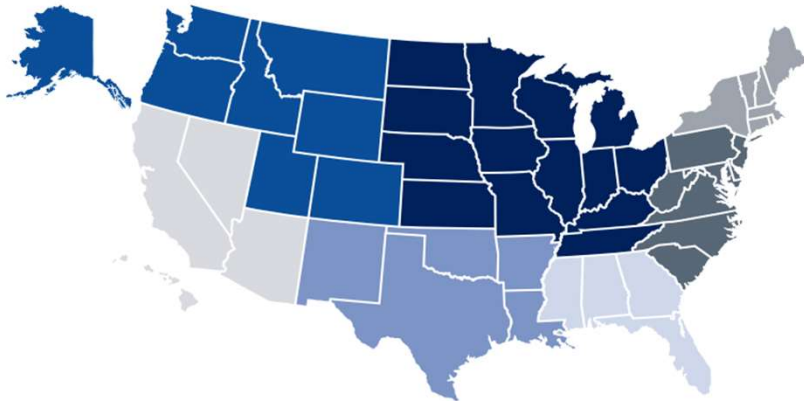
Predatory Towing: Schemes & Solutions

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About NICB

NICB is an intelligence-driven and operationally focused organization that leads a united effort of insurers, law enforcement agencies, and representatives of the public to proactively identify, combat, and prevent insurance crime.



- More than 110 years old
- 1,200-plus members
- 82% of the nation's property-casualty insurance premiums are written by NICB members
- 96% of the nation's personal auto direct premiums are written by NICB members
- 400+ employees
- Chicago-area HQ; seven regional offices plus foreign ops

NICB Core Capabilities

Intelligence, Analytics, and Operations

- Data Analytics
- Investigations

Education and Crime Prevention

- Training
- Public Affairs

Strategy, Policy, and Government Affairs

Towing Practices

Reputable Towing

Reputable towers provide an invaluable service to consumers, property owners, first responders, insurers, and the public at large.

Predatory Towing

Predatory towing refers to a variety of organized **predatory practices, primarily by tow truck operators, which take advantage of insurance providers and vehicle owners to make a profit.**

Consensual v. Non-Consensual Tows

Consensual (Voluntary)

Often covered by insurance

- Vehicle is involved in an accident or otherwise disabled

Non-Consensual (Involuntary)

Usually not covered by insurance

- Vehicle is involved in an accident or otherwise disabled
- Vehicle is parked illegally or on private property w/o permission
- Driver is arrested
- Vehicle is stolen and recovered

What Predatory Towing Look Like...



Diving Deeper into Towing Schemes

Vehicle Deprivation

- Taking the vehicle to a different location or multiple locations
- Not answering or returning phone calls
- Maintaining atypical, limited business hours
- Only accepting cash
- Undertaking bad faith effort to notify vehicle owner or lienholder
 - Sometimes in an attempt to sell the vehicle out from under the owner
- Vehicle taking/theft by tow

Diving Deeper into Towing Schemes

Excessive and Shady Fees

- Charging for highly specialized trucks and equipment for routine tows
- Excessively, unnecessary personnel
- Hazardous waste clean-up
- COVID fees
- Fuel surcharges
- Excessive administrative fee
- Charging for standard supplies (e.g. goggles, shovels, ladders, etc.)
- Bait and switch from low estimate
- Charging to retrieve personal items from vehicle (e.g. medicine, schoolwork, etc.)
- Food and drinks for towers
- Hazmat risk fee (above and beyond any cleanup cost)
- Gate fees
- Excessive fees for photographs

Diving Deeper into Towing Schemes

Body Shop Fraud

- Towing company owns or works with a body shop
 - Often tower will get to work on repairing vehicle before owner or insurer consent

Diving Deeper into Towing Schemes

Staged Tows

- Towing company stages vehicle disablement
 - Often involves rental vehicles

Legislative and Regulatory Fixes

Licensing:

- Holds towers responsible with potential for license revocation
- Often decided and/or appealable to a towing board

Solicitation:

- Prohibits towers from soliciting at the scene
 - Protects consumers
 - Protects the public from towers racing to the scene or fighting amongst each other
- Implement a tow rotation program

Legislative and Regulatory Fixes

Access:

- Reasonable business hours
- Working phone with calls returned within a reasonable time

Fees:

- Set or require reasonable fees
- Prohibit nebulous fees
- Fees should be disclosed on a rate sheet at the tow-scene and posted to the place of business
- Invoices should be itemized
- Require multiple, common forms of payments

Legislative and Regulatory Fixes

Notification:

- Towers should notify owners, lienholders, and insurers of vehicle possession

Vehicle Markings:

- Tow trucks should be well marked with the company name, address, phone number, and license number.

Legislative and Regulatory Fixes

Documentation:

- Towers should photograph the tow scene and tow
- Towers should document in writing the vehicle and its identifiers

NCOIL Model:

- Consumer Protection Towing Model Act
 - Adopted in 2018; re-adopted in 2023

Thank you!

Questions?

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