



May 2, 2025

Chairs Anne Carney, Amy D. Kuhn, and Members of the Committee
Joint Committee on Judiciary
Maine Legislature

RE: Bill Nos. LD 1088 | LD 1224 | LD 1822

Dear Chairs Carney, Kuhn, and Members of the Committee:

Headquartered in Oak Brook, Illinois, and with a 113-year history, the National Insurance Crime Bureau (NICB) is the nation's premier not-for-profit organization exclusively dedicated to leading a united effort to prevent insurance crime and fraud through intelligence-driven operations. NICB's 400-plus employees sit at the intersection between the insurance industry and law enforcement. NICB maintains operations in every state around the country, including in Maine where NICB is a longstanding, trusted partner in the fight against insurance fraud. NICB analysts and agents work daily with federal, state and local Maine law enforcement and regulatory agencies to provide assistance in all manner of cases, including the Maine State Police and Maine Bureau of Motor Vehicles.

Maine's Insurance Crime Reporting Requirements

Recognizing the adverse impact of insurance crime on the citizens of Maine, the legislature enacted laws requiring Maine insurers to report suspected insurance fraud to the Bureau of Insurance.ⁱ In the vast majority of cases, insurers submit suspected fraud referrals to the BOI through NICB's Fraud Bureau Reporting Program (FBRP). The FBRP connects through the National Association of Insurance Commissioners' Online Fraud Reporting System to deliver fraud reporting information to regulators. In addition to mandating that information be provided to the State, the Maine State Legislature also recognized the importance of reporting insurance crime and fraud information to law enforcement by enacting a statute providing civil immunity to any person and insurance professionals delivering such information to law enforcement and regulatory agencies in Maine.ⁱⁱ

Maine's Insurance Information and Privacy Protection Act

The Insurance Information and Privacy Protection Act was enacted to provide rules and regulatory oversight for insurance companies, agents, and insurance-support organizations, such as NICB, with regard to handling the personal information of policyholders. That law also provided a specific carve-out for certain disclosures, including those made for purposes of detecting or preventing criminal activity or fraud, reporting to a regulatory agency, or reporting to law enforcement.ⁱⁱⁱ By enacting this statute, Maine has addressed and preserved privacy interests for consumers in the insurance realm; and recognized the need for the free flow of information relating to fraud.

Impact of the Various Consumer Data Privacy Bills on NICB

NICB's anti-fraud efforts currently benefit from exemptions from the 16 enacted comprehensive consumer data privacy laws across the country, ensuring that NICB's limited resources as a non-profit remain directed at our fraud-fighting mission—a public benefit we provide to Maine residents at no cost. Limited exceptions for preventing, detecting, and protecting against fraud and illegal activity would not provide a wholesale exemption for such activities. Such limited exceptions would subject NICB to complex compliance obligations that would interfere with our vital information-sharing role and fraud-fighting mission. The policy reasons for excluding NICB from these burdens are several-fold. First, NICB provides a significant public benefit to the government and the millions of consumers who are victims of insurance fraud. Second, as a non-profit organization that serves a public interest, NICB is not equally situated with private entities that typically establish more complex compliance infrastructure for private-sector-related obligations. Third, NICB would become subject to consumer requests to, for example, confirm the existence of (or to delete) data. Even for non-viable requests, NICB would nevertheless bear the burden of proving to each consumer directly, or in litigation, that NICB's activities fall within the limitation. The obligation to do so would strain our organization's resources to such a degree that our operations, and ability to protect Maine consumers, would be significantly encumbered. Lastly, NICB's required responses to individual consumer requests would likely expose otherwise covert criminal investigations. For example, a fraudster could demand that NICB confirm we are processing that individual's data. A mere response from NICB tying that information to a fraud-related purpose would provide a clear signal to that individual, thereby exposing an investigation.

NICB's Request and Policy Rationale

Imposing what is essentially a “compliance, response, reporting and litigation” obligation – without any benefit to consumers – is inconsistent with Maine's insurance fraud reporting requirements and civil immunity provisions. These were enacted to facilitate, not impede, the mandatory flow of insurance fraud information to state authorities. Consistent with longstanding public policy determinations providing for the protection and flow of insurance fraud reporting information already considered and enacted in Maine law, NICB respectfully requests an entity-level exemption from the various bills.

Thank you for considering our views. As always, please consider NICB a resource and partner in the fight against insurance crime. If you have any questions or need additional information, please contact me at hhandler@nicb.org or 312-771-3974.

Sincerely,



Howard Handler, Senior Director
Strategy, Policy and Government Affairs

ⁱ 24-A M.R.S. § 2186

ⁱⁱ 24-A M.R.S. § 2187

ⁱⁱⁱ 24-A M.R.S. § 2215