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- Dennis Jay
Executive Director

A national coalition of consumers, government agencies and insurers dedicated to combating all forms of insurance fraud through public information and advocacy.

April 15, 2019

The Honorable Maxine Waters, Chairwoman
 House Financial Services Committee
 221 Rayburn House Office Building
 Washington, DC 20515

The Honorable Patrick McHenry, Ranking Member
 House Financial Services Committee
 Rayburn House Office Building, 2004
 Washington, DC 20515

In re: H.R. Corporate Transparency Act of 2019 (prior filing H.R.3089 - 115th Congress)

Dear Chairwoman Waters and Representative McHenry,

On behalf of the Coalition Against Insurance Fraud and our nearly 200 member-organizations, I write to provide our “conditional” support for reintroduction of the Corporate Transparency Act legislation before the 116th Congress. I use the term “conditional” pending, of course, review of any final introductions or amendments to the previously-filed bill in the 115th Congress.

The Coalition Against Insurance Fraud is a national broad-based alliance of consumer groups, insurers and government organizations dedicated to combating all forms of insurance fraud through education, research and advocacy. We are recognized as one of the leading anti-fraud organizations. We work closely with legislators and regulators to strengthen state efforts to target fraud against America’s insurance system and consumers.

The provisions of the Corporate Transparency Act which lead to our initial support include the requirements to disclose the “beneficial” owners of incorporated entities authorized by states to conduct business. We also support the version of the prior bill which exempts insurers from the provisions of the Act pursuant to the Investment Company Act of 1940 (15 U.S.C. 80a–2).

Assuming these provisions are included in the re-filed version of any bill, we believe disclosure of this information will protect and benefit U.S. consumers through permitting more thorough investigation of potential insurance fraud. Determining the actual owners behind entities engaged in all forms of insurance fraud — from unscrupulous

medical providers to body shops and even fraudulent insurers — would greatly assist in not only identifying fraud but identifying those who seek to profit at the expense of consumers. Our experience has also shown often there are links between such fraudulent operators which may not appear on the surface. Requiring disclosure of beneficial ownership interests would assist in determining links in what are often vast networks of fraudulent activities.

We look forward to monitoring the progress of this important matter before your Committee. Thank you for your efforts in helping to protect Americans from insurance fraud. If we at the Coalition Against Insurance Fraud may answer any inquiry or be of assistance at any time, please do not hesitate to contact me.

Sincerely,



Matthew J. Smith, Esq.
Director of Government Affairs & General Counsel

Copies to:

The Honorable Gregory Meeks, Chair
Subcommittee on Consumer Protection and Financial Institutions

The Honorable Blaine Luetkemeyer, Ranking Member
Subcommittee on Consumer Protection and Financial Institutions

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