



# Coalition Against Insurance Fraud

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Michelle Rafeld  
Executive Director

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The Honorable Gavin Newsom  
1021 O Street, Suite 9000  
Sacramento, CA 95814  
[governor@governor.ca.gov](mailto:governor@governor.ca.gov)

Dear Governor Newsom:

On behalf of the Coalition Against Insurance Fraud, I write to express our **strong support for Assembly Bill 1398**, which will protect California's workers and its workers' compensation system from those who prey on injured workers.

The Coalition Against Insurance Fraud is a [national alliance](#) of insurers, government agencies, consumer advocates, and law enforcement dedicated to fighting insurance fraud. Our members work to protect consumers and the insurance marketplace from fraud.

As an alliance of government agencies, insurers, and consumer advocates dedicated to combating insurance fraud, the Coalition is confident **your passage of this bill** will:

**Protect Injured Workers from Fraudulent Schemes:** Passage of AB 1398 would protect California's workers' compensation system from those who "prey on injured workers", ensuring its vital resources are preserved for legitimate claimants. According to a Coalition study, Americans lose over \$308 Billion to insurance fraud each year.

**Boost Transparency:** This bill would mandate clear, written disclosure of financial interests in workers' compensation referrals at the time a claim for payment is presented.

**Enhance Accountability & Deterrence:** This bill will close a current loophole and empower law enforcement and prosecutors to pursue felony charges for workers' compensation "kickback schemes" instead of being limited to misdemeanor penalties, deterring future fraudulent activities and strengthening enforcement within the California workers compensation system. Without this level of deterrence, the \$308 Billion cost of insurance fraud will increase.

As stated during legislative hearings on this bill, this is "*common sense legislation that provides prosecutors the tools to properly choose how to handle those cases involving those who prey on injured workers and ensures greater accountability for the criminal acts*". This legislation is vital for strengthening the integrity of California's workers' compensation system and ensuring greater accountability for fraudulent activities like elaborate "kickback schemes".

**We thank you for your leadership on this issue and urge swift passage of Assembly Bill 1398.**

Sincerely,

Brent Walker  
Director of Government Relations  
Coalition Against Insurance Fraud  
[brent@insurancefraud.org](mailto:brent@insurancefraud.org)

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

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