

Chapter 311

(Senate Bill 736)

AN ACT concerning

Insurance – Fraudulent Insurance Acts – Compensation for Deductible

FOR the purpose of providing that it is a fraudulent insurance act for ~~a person~~ certain persons offering certain services for certain damages to pay or otherwise compensate, or offer or promise to pay or compensate, with a certain intent, an insured for all or part of a certain insurance deductible ~~as an inducement to enter into a contract to furnish goods or services~~; providing certain penalties for a violation of certain provisions of this Act; and generally relating to fraudulent insurance acts.

BY adding to

Article – Insurance
Section 27–407.2
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance
Section 27–408(a)
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance
Section 27–408(b)
Annotated Code of Maryland
(2011 Replacement Volume and 2012 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

27–407.2.

~~IT IS A FRAUDULENT INSURANCE ACT FOR A PERSON TO PAY OR OTHERWISE COMPENSATE, DIRECTLY OR INDIRECTLY, OR OFFER OR PROMISE TO PAY OR COMPENSATE, AN INSURED FOR ALL OR PART OF AN INSURANCE DEDUCTIBLE PROVIDED UNDER THE POLICY AS AN INDUCEMENT TO ENTER~~

~~INTO A CONTRACT TO FURNISH GOODS OR SERVICES~~ CONTRACTOR OFFERING HOME REPAIR OR REMODELING SERVICES FOR DAMAGES TO A PRIVATE RESIDENCE CAUSED BY WEATHER, TO DIRECTLY OR INDIRECTLY PAY OR OTHERWISE COMPENSATE AN INSURED, OR OFFER OR PROMISE TO PAY OR COMPENSATE AN INSURED, WITH THE INTENT TO DEFRAUD AN INSURER, FOR ANY PART OF THE INSURED'S DEDUCTIBLE UNDER THE INSURED'S PROPERTY OR CASUALTY INSURANCE POLICY, IF PAYMENT FOR THE SERVICES WILL BE MADE FROM THE PROCEEDS OF THE POLICY.

27-408.

(a) (1) A person that violates § 27-407 of this subtitle, or another provision of this subtitle in which the claim or act that is the subject of the fraud has a value of \$300 or more is guilty of a felony and on conviction, for each violation, is subject to:

(i) liability for restoring to the victim the property taken or the value of the property taken; and

(ii) 1. for a violation of any provision of § 27-403 of this subtitle, a fine, the maximum of which is the greater of three times the value of the claim or act that is the subject of the fraud and \$10,000 and the minimum of which is \$500, or imprisonment not exceeding 15 years or both; and

2. for a violation of any provision of § 27-404, § 27-405, § 27-406, § 27-406.1, § 27-407, [or] § 27-407.1, **OR § 27-407.2** of this subtitle, a fine not exceeding \$10,000 or imprisonment not exceeding 15 years or both.

(2) A person that violates a provision of this subtitle in which the claim or act that is the subject of the fraud has a value of less than \$300 is guilty of a misdemeanor and on conviction, for each violation, is subject to:

(i) liability for restoring to the victim the property taken or the value of the property taken; and

(ii) 1. for a violation of any provision of § 27-403 of this subtitle, a fine, the maximum of which is the greater of three times the value of the claim or act that is the subject of the fraud and \$10,000 and the minimum of which is \$500, or imprisonment not exceeding 18 months or both; and

2. for a violation of any provision of § 27-404, § 27-405, § 27-406, § 27-406.1, § 27-407, [or] § 27-407.1, **OR § 27-407.2** of this subtitle, a fine not exceeding \$10,000 or imprisonment not exceeding 18 months or both.

(b) (1) The penalties imposed under this section may be imposed separately from and consecutively to or concurrently with a sentence for another offense based on the act that constitutes a violation of this subtitle.

(2) Each act of solicitation under § 27-407 of this subtitle constitutes a separate violation for purposes of the penalties imposed under this section.

(3) Notwithstanding any other provision of law, a fine imposed under subsection (a) of this section is mandatory and not subject to suspension.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2013.

Approved by the Governor, May 2, 2013.