

SENATE BILL 99

C4

4lr0042

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Insurance Administration, Maryland)**

Requested: November 7, 2013

Introduced and read first time: January 8, 2014

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Fraud Violations – Civil and Criminal Actions**

3 FOR the purpose of providing that a criminal prosecution for engaging in insurance
4 fraud may be brought in certain counties in the State; authorizing the Maryland
5 Insurance Commissioner, for a civil fraud violation, to impose administrative
6 penalties and order restitution under a certain provision of law under certain
7 circumstances; providing that, if insurance fraud is determined to have occurred
8 in a certain location, a criminal or civil fraud action for all related violations
9 may be joined in the same action; and generally relating to civil and criminal
10 actions for insurance fraud.

11 BY adding to

12 Article – Insurance

13 Section 2–406

14 Annotated Code of Maryland

15 (2011 Replacement Volume and 2013 Supplement)

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

18 **Article – Insurance**

19 **2–406.**

20 **(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A CRIMINAL**
21 **PROSECUTION FOR ENGAGING IN INSURANCE FRAUD MAY BE BROUGHT IN ANY**
22 **COUNTY IN THE STATE IN WHICH:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 **(1) AN ELEMENT OF THE INSURANCE FRAUD WAS COMMITTED;**
- 2 **(2) THE PURPORTED INSURED LOSS OCCURRED;**
- 3 **(3) THE INSURANCE POLICY IN QUESTION PROVIDES COVERAGE;**
- 4 **(4) THE INSURER OR AN AGENT OF THE INSURER RECEIVED A**
5 **FALSE OR MISLEADING STATEMENT OR DOCUMENT;**
- 6 **(5) THE DEFENDANT OR RESPONDENT RESIDES; OR**
- 7 **(6) MONEY OR OTHER BENEFIT WAS RECEIVED AS A RESULT OF**
8 **THE INSURANCE FRAUD.**

9 **(B) FOR A CIVIL FRAUD VIOLATION, THE COMMISSIONER MAY IMPOSE**
10 **ADMINISTRATIVE PENALTIES AND ORDER RESTITUTION UNDER § 27-408(C) OF**
11 **THIS ARTICLE WHEN ONE OR MORE OF THE OCCURRENCES LISTED IN**
12 **SUBSECTION (A) OF THIS SECTION TAKES PLACE IN THE STATE.**

13 **(C) IF INSURANCE FRAUD IS DETERMINED TO HAVE OCCURRED IN ANY**
14 **OF THE LOCATIONS LISTED IN SUBSECTION (A) OF THIS SECTION, A CRIMINAL**
15 **OR CIVIL FRAUD ACTION FOR ALL RELATED VIOLATIONS MAY BE JOINED IN THE**
16 **SAME ACTION.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2014.