

CHAPTER 271

(House Bill 404)

AN ACT concerning

Insurance Fraud – Required Disclosure Statements

FOR the purpose of requiring insurers to disclose certain information regarding insurance fraud in a certain manner on certain applications for insurance, ~~claim forms, and payments;~~ and certain claim forms; providing that the lack of a certain statement does not constitute a defense in certain proceedings; ~~providing a certain exception~~ certain exceptions to a certain disclosure requirement; ~~providing for the application of this Act~~ requiring certain insurers to comply with this Act on or before a certain date; defining a certain term; and generally relating to insurance fraud.

BY renumbering

Article – Insurance

Section 27–805

to be Section 27–806

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

BY adding to

Article – Insurance

Section 27–805

Annotated Code of Maryland

(2006 Replacement Volume and 2007 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 27–805 of Article – Insurance of the Annotated Code of Maryland be renumbered to be Section(s) 27–806.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Insurance

27–805.

(A) IN THIS SECTION, “CLAIM FORM” MEANS ANY DOCUMENT SUPPLIED BY AN INSURER TO A CLAIMANT THAT A CLAIMANT IS REQUIRED TO COMPLETE AND SUBMIT IN SUPPORT OF A CLAIM FOR BENEFITS.

~~(A) (B)~~ (1) ~~ALL EXCEPT AS PROVIDED IN SUBSECTION (B) (C) OF THIS SECTION, ALL APPLICATIONS FOR INSURANCE AND ALL CLAIM FORMS, REGARDLESS OF THE FORM OF TRANSMISSION, PROVIDED AND REQUIRED BY AN INSURER OR REQUIRED BY LAW AS A CONDITION OF PAYMENT OF A CLAIM, SHALL CONTAIN A THE FOLLOWING STATEMENT, PERMANENTLY AFFIXED TO THE APPLICATION OR CLAIM FORM, THAT CLEARLY STATES IN SUBSTANCE THE FOLLOWING OR A SUBSTANTIALLY SIMILAR STATEMENT:~~

~~“IT IS A CRIME TO KNOWINGLY PROVIDE, OR TO KNOWINGLY ASSIST, ABET, OR CONSPIRE WITH ANOTHER TO PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE THE COMPANY OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS.”~~

~~“ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.”~~

(2) THE LACK OF THE STATEMENT REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION DOES NOT CONSTITUTE A DEFENSE IN ANY LEGAL PROCEEDING.

~~(B) (C)~~ SUBSECTION (A)(1) (B)(1) OF THIS SECTION DOES NOT APPLY TO:

(1) REINSURANCE APPLICATIONS OR CLAIM FORMS; OR

(2) THE UNIFORM CLAIMS FORM FOR REIMBURSEMENT OF HOSPITAL SERVICES OR THE UNIFORM CLAIMS FORM FOR REIMBURSEMENT OF HEALTH CARE PRACTITIONERS SERVICES ADOPTED BY THE COMMISSIONER UNDER § 15-1003 OF THIS ARTICLE.

~~(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ALL PAYMENTS, IN WHATEVER FORM MADE PURSUANT TO A CLAIM, SHALL CONTAIN A STATEMENT, PERMANENTLY AFFIXED TO THE INSTRUMENT AT OR NEAR THE AREA PROVIDED FOR PAYEE ENDORSEMENT, THAT CLEARLY STATES IN SUBSTANCE THE FOLLOWING:~~

~~“BY ENDORSEMENT OF THIS CHECK, THE PAYEE, UNDER PENALTY OF FINE OR IMPRISONMENT, OR BOTH, CERTIFIES (1) ENTITLEMENT TO THIS PAYMENT FOR BENEFITS OR SERVICES, AND (2) THAT NO FALSE STATEMENTS OR REPRESENTATIONS HAVE BEEN MADE IN SUPPORT OF THE CLAIM FOR PAYMENT. FALSE REPRESENTATIONS COULD RESULT IN CRIMINAL PENALTIES.”~~

~~(C) THE WARNING REQUIRED UNDER SUBSECTION (B) OF THIS SECTION IS NOT REQUIRED ON FORMS RELATING TO REINSURANCE.~~

SECTION 3. AND BE IT FURTHER ENACTED, That all insurers subject to the provisions of § 27-805 of the Insurance Article, as enacted by Section 2 of this Act, shall comply with this Act on or before April 1, 2009.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2008.

Approved by the Governor, April 24, 2008.