

# SENATE BILL 99

C4

4lr0042

(PRE-FILED)

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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

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Committee Report: Favorable

Senate action: Adopted

Read second time: January 21, 2014

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CHAPTER \_\_\_\_\_

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.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A CRIMINAL  
2 PROSECUTION FOR ENGAGING IN INSURANCE FRAUD MAY BE BROUGHT IN ANY  
3 COUNTY IN THE STATE IN WHICH:

4 (1) AN ELEMENT OF THE INSURANCE FRAUD WAS COMMITTED;

5 (2) THE PURPORTED INSURED LOSS OCCURRED;

6 (3) THE INSURANCE POLICY IN QUESTION PROVIDES COVERAGE;

7 (4) THE INSURER OR AN AGENT OF THE INSURER RECEIVED A  
8 FALSE OR MISLEADING STATEMENT OR DOCUMENT;

9 (5) THE DEFENDANT OR RESPONDENT RESIDES; OR

10 (6) MONEY OR OTHER BENEFIT WAS RECEIVED AS A RESULT OF  
11 THE INSURANCE FRAUD.

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

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

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.