

SB0575/837077/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 575
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “of” insert “providing that certain provisions of law governing the reporting and investigation of workers’ compensation insurance fraud claims apply to certain employers who participate in a governmental self–insurance group for workers’ compensation and to certain employers who self–insure for workers’ compensation; providing that certain provisions of law governing fraudulent insurance acts that apply to insurers also apply to certain governmental self–insurance groups and certain employers who self–insure or participate in certain self–insurance groups; altering the definition of “insurance fraud” for purposes of certain provisions of law governing reporting and preventing insurance fraud to include a violation of false claims under the workers’ compensation law;”; and in line 13, after “Section” insert “1–204, 27–402, 27–801, and”.

AMENDMENT NO. 2

On page 1, after line 18, insert:

“1–204.

[For] EXCEPT FOR PROVISIONS GOVERNING THE REPORTING AND INVESTIGATION OF WORKERS’ COMPENSATION INSURANCE FRAUD CLAIMS UNDER § 2–201, TITLE 2, SUBTITLE 4, AND TITLE 27, SUBTITLES 4 AND 8 OF THIS ARTICLE, the purpose of workers’ compensation insurance, this article does not apply to an employer who:

(1) participates in a governmental self–insurance group under § 9–404 of the Labor and Employment Article; or

(Over)

(2) self-insures under § 9–405 of the Labor and Employment Article.

27–402.

The provisions of this subtitle that apply to insurers also apply to:

(1) a corporation that operates a nonprofit health service plan under Title 14, Subtitle 2 of this article;

(2) a dental plan organization as defined in § 14–401 of this article;

(3) a health maintenance organization as defined in Title 19, Subtitle 7 of the Health – General Article;

(4) a surplus lines insurer;

(5) the Maryland Automobile Insurance Fund;

(6) the State when a claim has been filed against the State under Title 12 of the State Government Article;

(7) the State when a claim has been filed against the State under Title 2, Subtitle 5 of the State Personnel and Pensions Article;

(8) the State, including the Uninsured Employers’ Fund, when a claim has been filed against the State under Title 9 of the Labor and Employment Article;

(9) the Maryland Transit Administration when acting as a self-insurer under § 7–703 of the Transportation Article;

(10) a third party administrator under Title 8, Subtitle 3 of this article;

(11) a self-insurer under § 17-103(a)(2) of the Transportation Article;

(12) the Maryland Health Insurance Plan; [and]

(13) A GOVERNMENTAL SELF-INSURER GROUP FORMED IN ACCORDANCE WITH § 9-404 OF THE LABOR AND EMPLOYMENT ARTICLE;

(14) AN EMPLOYER WHO SELF-INSURES OR PARTICIPATES IN A SELF-INSURANCE GROUP IN ACCORDANCE WITH § 9-405 OF THE LABOR AND EMPLOYMENT ARTICLE; AND

[(13)] (15) an agent, employee, or representative of an entity described in items (1) through [(12)](14) of this section.

27-801.

(a) In this subtitle the following words have the meanings indicated.

(b) “Fraud Division” means the Insurance Fraud Division in the Administration.

(c) “Insurance fraud” means:

(1) a violation of Subtitle 4 of this title;

(2) theft, as set out in §§ 7-101 through 7-104 of the Criminal Law Article;

(i) from a person regulated under this article; or

(ii) by a person regulated under this article or an officer, director, agent, or employee of a person regulated under this article; [or]

(3) A VIOLATION OF § 9–1106 OF THE LABOR AND EMPLOYMENT ARTICLE; OR

[(3)](4) any other fraudulent activity that is committed by or against a person regulated under this article and is a violation of:

- (i) Title 1, Subtitle 3 of the Agriculture Article;
- (ii) Title 19, Subtitle 2 or Subtitle 3 of the Business Regulation Article;
- (iii) Title 14, Subtitle 29, § 11–810 or § 14–1317 of the Commercial Law Article;
- (iv) the Criminal Law Article other than Title 8, Subtitle 2, Part II or § 10–614;
- (v) Title 12, Subtitle 9 of the Financial Institutions Article;
- (vi) § 14–127 of the Real Property Article;
- (vii) § 6–301 of the Alcoholic Beverages Article;
- (viii) § 109 of the Code of Public Local Laws of Caroline County;
- (ix) § 4–103 of the Code of Public Local Laws of Carroll County;
- or
- (x) § 8A–1 of the Code of Public Local Laws of Talbot County.”.