

SB65 ENROLLED



1 SB65
2 EIAN9C2-2
3 By Senator Kitchens
4 RFD: Banking and Insurance
5 First Read: 07-Feb-24



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1 Enrolled, An Act,

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3 Relating to insurance fraud and the Department of
4 Insurance; to amend Section 27-12A-6 and Section 27-12A-40 of
5 the Code of Alabama 1975, to increase the statute of
6 limitations for prosecutions of insurance fraud after an
7 alleged violation is detected and to further specify that
8 investigators of the department would have the powers vested
9 in law enforcement officers, including the power of arrest and
10 service of process, for any violations of state law discovered
11 during the course of an investigation.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Section 27-12A-6 and Section 27-12A-40 of
14 the Code of Alabama 1975, are amended to read as follows:

15 "§27-12A-6

16 (a) No prosecution may be commenced under this article
17 more than ~~two~~ seven years after the alleged violation was
18 detected.

19 (b) An individual who has been convicted of insurance
20 fraud in the first degree or insurance fraud in the second
21 degree shall be disqualified from engaging in the business of
22 insurance in this state.

23 (c) A person may not willfully permit another person
24 who has been convicted of insurance fraud in the first degree
25 or insurance fraud in the second degree to transact in the
26 business of insurance in this state.

27 (d) For the purposes of Article 4A of Chapter 18 of
28 Title 15, insurance fraud shall be considered criminal



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29 activity."

30 "§27-12A-40

31 (a) There is ~~hereby~~ established within the department
32 the Insurance Fraud Unit. The commissioner shall appoint the
33 necessary full-time supervisory and investigative personnel of
34 the unit who shall be qualified by training and experience to
35 perform the duties of their positions. The commissioner shall
36 furnish offices, equipment, operating expenses, and necessary
37 personnel to maintain and operate the unit.

38 (b) The unit shall perform all of the following duties:

39 (1) Initiate independent inquiries and conduct
40 independent investigations when the unit has cause to believe
41 that any insurance fraud may be, is being, or has been,
42 committed.

43 (2) Review reports or complaints of alleged insurance
44 fraud from federal, state, and local law enforcement and
45 regulatory agencies, persons engaged in the business of
46 insurance, and the public to determine whether the reports or
47 complaints require further investigation and, if so, to
48 conduct these investigations.

49 (3) Conduct independent examinations of alleged
50 insurance fraud and undertake independent studies to determine
51 the extent of insurance fraud.

52 (c) In performing its duties, the unit ~~shall have the~~
53 ~~powers to~~ may do all of the following:

54 (1) Inspect, copy, or collect records and evidence.

55 (2) Issue and serve subpoenas.

56 (3) Administer oaths and affirmations.



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57 (4) Share records and evidence with federal, state, or
58 local law enforcement and regulatory agencies.

59 (5) Execute arrest warrants for criminal violations of
60 this chapter or other state laws.

61 (6) Arrest upon probable cause without warrant a person
62 found in the act of violating or attempting to violate this
63 chapter or other state laws.

64 (7) Make criminal referrals to the Attorney General.

65 (8) Conduct investigations outside of this state. If
66 the information the unit seeks to obtain is located outside of
67 this state, the person from whom the information is sought may
68 make the information available to the unit to examine at the
69 place where the information is located. The unit may designate
70 representatives, including officials of the state in which the
71 matter is located, to inspect the information on behalf of the
72 unit, and the unit may respond to similar requests from
73 officials of other states.

74 (d) Investigators of the unit shall have all the powers
75 vested in law enforcement officers of the State of Alabama,
76 including, but not limited to, the powers of arrest and the
77 power to serve process, ~~but only as necessary to enforce this~~
78 ~~chapter, and~~ for any violation of this chapter or any
79 violation of other state laws discovered during the course of
80 an investigation. The investigators shall perform the duties,
81 responsibilities, and functions as may be required for the
82 unit to carry out its duties and responsibilities ~~pursuant to~~
83 enforce this chapter. ~~No person shall~~ An individual may not
84 serve as investigator of the unit ~~who~~ unless he or she has



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85 ~~not~~ met the minimum standards established for law enforcement
86 officers by the Alabama Peace Officers' Standards and Training
87 Commission, or other standards as may be provided ~~hereafter~~ by
88 law.

89 (e) Information relating to criminal activity
90 discovered in the course of an investigation by the unit shall
91 be provided to the ~~Department of Public Safety~~ Alabama State
92 Law Enforcement Agency."

93 Section 2. This act shall become effective on October
94 1, 2024.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB65

Senate 19-Mar-24

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris,
Secretary.

House of Representatives

Passed: 08-May-24

By: Senator Kitchens