

SENATE BILL 736

C4

(3lr2568)

ENROLLED BILL

— Finance/Economic Matters —

Introduced by **Senator Astle**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Fraudulent Insurance Acts – Compensation for Deductible**

3 FOR the purpose of providing that it is a fraudulent insurance act for ~~a person~~ certain
4 persons offering certain services for certain damages to pay or otherwise
5 compensate, or offer or promise to pay or compensate, with a certain intent, an
6 insured for all or part of a certain insurance deductible ~~as an inducement to~~
7 ~~enter into a contract to furnish goods or services~~; providing certain penalties for
8 a violation of certain provisions of this Act; and generally relating to fraudulent
9 insurance acts.

10 BY adding to

11 Article – Insurance

12 Section 27–407.2

13 Annotated Code of Maryland

14 (2011 Replacement Volume and 2012 Supplement)

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.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,
 2 Article – Insurance
 3 Section 27–408(a)
 4 Annotated Code of Maryland
 5 (2011 Replacement Volume and 2012 Supplement)

6 BY repealing and reenacting, without amendments,
 7 Article – Insurance
 8 Section 27–408(b)
 9 Annotated Code of Maryland
 10 (2011 Replacement Volume and 2012 Supplement)

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

13 **Article – Insurance**

14 **27–407.2.**

15 ~~IT IS A FRAUDULENT INSURANCE ACT FOR A PERSON TO PAY OR~~
 16 ~~OTHERWISE COMPENSATE, DIRECTLY OR INDIRECTLY, OR OFFER OR PROMISE~~
 17 ~~TO PAY OR COMPENSATE, AN INSURED FOR ALL OR PART OF AN INSURANCE~~
 18 ~~DEDUCTIBLE PROVIDED UNDER THE POLICY AS AN INDUCEMENT TO ENTER~~
 19 ~~INTO A CONTRACT TO FURNISH GOODS OR SERVICES~~ CONTRACTOR OFFERING
 20 HOME REPAIR OR REMODELING SERVICES FOR DAMAGES TO A PRIVATE
 21 RESIDENCE CAUSED BY WEATHER, TO DIRECTLY OR INDIRECTLY PAY OR
 22 OTHERWISE COMPENSATE AN INSURED, OR OFFER OR PROMISE TO PAY OR
 23 COMPENSATE AN INSURED, WITH THE INTENT TO DEFRAUD AN INSURER, FOR
 24 ANY PART OF THE INSURED’S DEDUCTIBLE UNDER THE INSURED’S PROPERTY OR
 25 CASUALTY INSURANCE POLICY, IF PAYMENT FOR THE SERVICES WILL BE MADE
 26 FROM THE PROCEEDS OF THE POLICY.

27 27–408.

28 (a) (1) A person that violates § 27–407 of this subtitle, or another
 29 provision of this subtitle in which the claim or act that is the subject of the fraud has a
 30 value of \$300 or more is guilty of a felony and on conviction, for each violation, is
 31 subject to:

32 (i) liability for restoring to the victim the property taken or the
 33 value of the property taken; and

34 (ii) 1. for a violation of any provision of § 27–403 of this
 35 subtitle, a fine, the maximum of which is the greater of three times the value of the

1 claim or act that is the subject of the fraud and \$10,000 and the minimum of which is
2 \$500, or imprisonment not exceeding 15 years or both; and

3 2. for a violation of any provision of § 27-404, § 27-405,
4 § 27-406, § 27-406.1, § 27-407, [or] § 27-407.1, **OR § 27-407.2** of this subtitle, a fine
5 not exceeding \$10,000 or imprisonment not exceeding 15 years or both.

6 (2) A person that violates a provision of this subtitle in which the
7 claim or act that is the subject of the fraud has a value of less than \$300 is guilty of a
8 misdemeanor and on conviction, for each violation, is subject to:

9 (i) liability for restoring to the victim the property taken or the
10 value of the property taken; and

11 (ii) 1. for a violation of any provision of § 27-403 of this
12 subtitle, a fine, the maximum of which is the greater of three times the value of the
13 claim or act that is the subject of the fraud and \$10,000 and the minimum of which is
14 \$500, or imprisonment not exceeding 18 months or both; and

15 2. for a violation of any provision of § 27-404, § 27-405,
16 § 27-406, § 27-406.1, § 27-407, [or] § 27-407.1, **OR § 27-407.2** of this subtitle, a fine
17 not exceeding \$10,000 or imprisonment not exceeding 18 months or both.

18 (b) (1) The penalties imposed under this section may be imposed
19 separately from and consecutively to or concurrently with a sentence for another
20 offense based on the act that constitutes a violation of this subtitle.

21 (2) Each act of solicitation under § 27-407 of this subtitle constitutes a
22 separate violation for purposes of the penalties imposed under this section.

23 (3) Notwithstanding any other provision of law, a fine imposed under
24 subsection (a) of this section is mandatory and not subject to suspension.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2013.