

Chapter 26

(Senate Bill 99)

AN ACT concerning

Insurance – Fraud Violations – Civil and Criminal Actions

FOR the purpose of providing that a criminal prosecution for engaging in insurance fraud may be brought in certain counties in the State; authorizing the Maryland Insurance Commissioner, for a civil fraud violation, to impose administrative penalties and order restitution under a certain provision of law under certain circumstances; providing that, if insurance fraud is determined to have occurred in a certain location, a criminal or civil fraud action for all related violations may be joined in the same action; and generally relating to civil and criminal actions for insurance fraud.

BY adding to

Article – Insurance

Section 2–406

Annotated Code of Maryland

(2011 Replacement Volume and 2013 Supplement)

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

Article – Insurance

2–406.

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

- (1) AN ELEMENT OF THE INSURANCE FRAUD WAS COMMITTED;**
- (2) THE PURPORTED INSURED LOSS OCCURRED;**
- (3) THE INSURANCE POLICY IN QUESTION PROVIDES COVERAGE;**
- (4) THE INSURER OR AN AGENT OF THE INSURER RECEIVED A FALSE OR MISLEADING STATEMENT OR DOCUMENT;**
- (5) THE DEFENDANT OR RESPONDENT RESIDES; OR**

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

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

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

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

Approved by the Governor, April 8, 2014.