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**A BILL FOR AN ACT**

RELATING TO INSURANCE FRAUD.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding to article 2 two new sections to be  
3 appropriately designated and to read as follows:

4           "§431:2-A Insurance fraud investigations unit; deposit  
5 into compliance resolution fund; funding. (a) There is  
6 established in the insurance division an insurance fraud  
7 investigations unit.

8           (b) The purpose of the insurance fraud investigations unit  
9 shall be to conduct a statewide program for the prevention,  
10 investigation, and prosecution of insurance fraud cases and  
11 violations relating to insurance fraud, arising from article 10C  
12 and chapter 386. The insurance fraud investigations unit may  
13 also review and take appropriate disciplinary and administrative  
14 action on complaints relating to insurance fraud arising from  
15 article 10C and chapter 386.

16           (c) The unit shall employ or retain by contract or  
17 otherwise, attorneys, investigators, investigator assistants, and

1 other support staff as necessary to promote the effective and  
2 efficient conduct of the unit's activities. Notwithstanding any  
3 other law to the contrary, the attorneys may represent the State  
4 in any judicial or administrative proceeding to enforce all  
5 applicable state laws relating to insurance fraud, including but  
6 not limited to criminal prosecutions, administrative actions,  
7 disciplinary actions, and actions for declaratory and injunctive  
8 relief. Investigators may serve process and apply for and  
9 execute search warrants pursuant to chapter 803 and the rules of  
10 court but shall not otherwise have the powers of a police officer  
11 or deputy sheriff. The commissioner may hire such employees not  
12 subject to chapter 76.

13 (d) All moneys that have been recovered by the department  
14 of commerce and consumer affairs as a result of prosecuting  
15 insurance fraud violations pursuant to this section, including  
16 civil fines, criminal fines, administrative fines, and  
17 settlements, but not including restitution made pursuant to  
18 section 431:2-B or 386-98, shall be deposited into the compliance  
19 resolution fund established pursuant to section 26-9(o).

20 (e) Funding for the insurance fraud investigations unit  
21 shall come from the compliance resolution fund established  
22 pursuant to section 26-9(o).

1        §431:2-B Insurance fraud; penalties. (a) A person commits  
2 the offense of insurance fraud if the person acts or omits to act  
3 with intent to obtain benefits or recovery or compensation for  
4 services provided, or provides legal assistance or counsel with  
5 intent to obtain benefits or recovery, through the following  
6 means:

- 7        (1) Knowingly presenting, or causing or permitting to be  
8        presented, any false information on a claim;
- 9        (2) Knowingly presenting, or causing or permitting to be  
10       presented, any false claim for the payment of a loss;
- 11       (3) Knowingly presenting, or causing or permitting to be  
12       presented, multiple claims for the same loss or injury,  
13       including presenting multiple claims to more than one  
14       insurer, except when these multiple claims are  
15       appropriate;
- 16       (4) Knowingly making, or causing or permitting to be made,  
17       any false claim for payment of a health care benefit;
- 18       (5) Knowingly submitting, or causing or permitting to be  
19       submitted, a claim for a health care benefit that was  
20       not used by, or provided on behalf of, the claimant;
- 21       (6) Knowingly presenting, or causing or permitting to be  
22       presented, multiple claims for payment of the same

1 health care benefit except when these multiple claims  
2 are appropriate;

3 (7) Knowingly presenting, or causing or permitting to be  
4 presented, for payment, any undercharges for benefits  
5 on behalf of a specific claimant unless any known  
6 overcharges for benefits under this article for that  
7 claimant are presented for reconciliation at the same  
8 time;

9 (8) Aiding, or agreeing or attempting to aid, soliciting,  
10 or conspiring with any person who engages in an  
11 unlawful act as defined under this section; or

12 (9) Knowingly making, or causing or permitting to be made,  
13 any false statements or claims by, or on behalf of, any  
14 person or persons during an official proceeding as  
15 defined by section 710-1000.

16 (b) A violation of subsection (a) is a criminal offense and  
17 shall constitute a:

18 (1) Class B felony if the value of the benefits, recovery,  
19 claim, or compensation obtained or attempted to be  
20 obtained is more than \$20,000;

1        (2) Class C felony if the value of the benefits, recovery,  
2            claim, or compensation obtained or attempted to be  
3            obtained is more than \$300; or

4        (3) Misdemeanor if the value of the benefits, recovery,  
5            claim, or compensation obtained or attempted to be  
6            obtained is \$300 or less.

7        (c) Where the ability to make restitution can be  
8        demonstrated, any person convicted under this section shall be  
9        ordered by a court to make restitution to an insurer or any other  
10       person for any financial loss sustained by the insurer or other  
11       person.

12       (d) A person, if acting without malice, shall not be  
13       subject to civil liability for providing information, including  
14       filing a report, furnishing oral or written evidence, or giving  
15       testimony concerning suspected, anticipated, or completed  
16       insurance fraud to a court, the commissioner, the insurance fraud  
17       investigations unit, the National Association of Insurance  
18       Commissioners, any federal, state, or county law enforcement or  
19       regulatory agency, or another insurer if the information is  
20       provided only for the purpose of preventing, investigating, or  
21       prosecuting insurance fraud, except if the person commits  
22       perjury.

1       (e) This section shall not supersede any other law relating  
2 to theft, fraud, or deception. Insurance fraud may be prosecuted  
3 under this section, or any other applicable law, and may be  
4 enjoined by a court of competent jurisdiction.

5       (f) An insurer shall have a civil cause of action to  
6 recover payments or benefits from any person who has  
7 intentionally obtained payments or benefits in violation of this  
8 section; provided that no recovery shall be allowed if the person  
9 has made restitution under subsection (c).

10       (g) All applications for insurance under this article and  
11 all claim forms provided and required by an insurer, regardless  
12 of the means of transmission, shall contain, or have attached to  
13 them, the following or a substantially similar statement, in a  
14 prominent location and typeface as determined by the insurer:  
15 "For your protection, Hawaii law requires you to be informed that  
16 presenting a fraudulent claim for payment of a loss or benefit is  
17 a crime punishable by a fine, imprisonment, or both." The  
18 absence of such a warning in any application or claim form shall  
19 not constitute a defense to a charge of insurance fraud under  
20 this section.

21       (h) An insurer, or the insurer's employee or agent, having  
22 determined that there is reason to believe that a claim is being

1 made in violation of this section, shall provide to the insurance  
2 fraud investigations unit within sixty days of that  
3 determination, information, including documents and other  
4 evidence, regarding the claim in the form and manner prescribed  
5 by the unit. Information provided pursuant to this subsection  
6 shall be protected from public disclosure to the extent  
7 authorized by chapter 92F and section 431:2-209; provided that  
8 the unit may release the information in an administrative or  
9 judicial proceeding to enforce this section, to a federal, state,  
10 or local law enforcement or regulatory authority, to the National  
11 Association of Insurance Commissioners, or to an insurer  
12 aggrieved by the claim reasonably believed to violate this  
13 section."

14 SECTION 2. Section 386-98, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "§386-98 **Fraud violations and penalties.** (a) A  
17 [~~fraudulent insurance act, under this chapter, shall include~~  
18 ~~acts or omissions committed by any person who intentionally or~~  
19 ~~knowingly]~~ person commits the offense of insurance fraud if the  
20 person acts or omits to act [se-as] with intent to obtain  
21 benefits, deny benefits, obtain benefits compensation for  
22 services provided, or provides legal assistance or counsel to

1 obtain benefits [~~or recovery through fraud or deceit by doing~~  
2 ~~the following~~], deny benefits, or obtain benefits compensation  
3 through the following means:

- 4 (1) [~~Presenting,~~] Knowingly presenting, or causing or  
5 permitting to be presented, any false information on  
6 an application;
- 7 (2) [~~Presenting,~~] Knowingly presenting, or causing or  
8 permitting to be presented, any false [~~or fraudulent~~]  
9 claim for the payment of a loss;
- 10 (3) [~~Presenting~~] Knowingly presenting, or causing or  
11 permitting to be presented, multiple claims for the  
12 same loss or injury, including presenting multiple  
13 claims to more than one insurer, except when these  
14 multiple claims are appropriate [~~and each insurer is~~  
15 ~~notified immediately in writing of all other claims~~  
16 ~~and insurers~~];
- 17 (4) [~~Making,~~] Knowingly making, or causing or permitting  
18 to be made, any false [~~or fraudulent~~] claim for  
19 payment or denial of a health care benefit;
- 20 (5) [~~Submitting~~] Knowingly submitting, or causing or  
21 permitting to be submitted, a claim for a health care  
22 benefit that was not used by, or provided on behalf

- 1 of, the claimant;
- 2 (6) [~~Presenting~~] Knowingly presenting, or causing or  
3 permitting to be presented, multiple claims for  
4 payment of the same health care benefit, except when  
5 these multiple claims are appropriate;
- 6 (7) [~~Presenting~~] Knowingly presenting, or causing or  
7 permitting to be presented, for payment any  
8 undercharges for health care benefits on behalf of a  
9 specific claimant unless any known overcharges for  
10 health care benefits for that claimant are presented  
11 for reconciliation at [~~that~~] the same time;
- 12 (8) Misrepresenting or concealing a material fact;
- 13 (9) Fabricating, altering, concealing, making a false  
14 entry in, or destroying a document;
- 15 (10) [~~Making,~~] Knowingly making, or causing or permitting  
16 to be made, any false [~~or fraudulent~~] statements with  
17 regard to entitlements or benefits, with the intent to  
18 discourage an injured employee from claiming benefits  
19 or pursuing a workers' compensation claim; or
- 20 (11) [~~Making,~~] Knowingly making, or causing to be made, any  
21 false [~~or fraudulent~~] statements or claims by, or on  
22 behalf of, a client with regard to obtaining legal

1 recovery or benefits.

2 (b) No employer shall wilfully make a false statement or  
3 representation to avoid the impact of past adverse claims  
4 experience through change of ownership, control, management, or  
5 operation to directly obtain any workers' compensation insurance  
6 policy.

7 (c) It shall be inappropriate for any discussion on  
8 benefits, recovery, or settlement to include the threat or  
9 implication of criminal prosecution. Any threat or implication  
10 shall be immediately referred in writing to:

11 (1) The state bar if attorneys are in violation;

12 (2) The insurance commissioner if insurance company  
13 personnel are in violation; or

14 (3) The regulated industries complaints office if health  
15 care providers are in violation,

16 for investigation and, if appropriate, disciplinary action.

17 (d) An offense under subsections (a) and (b) shall  
18 constitute a:

19 (1) Class C felony if the value of the moneys obtained or  
20 denied is \$2,000 or more;

21 (2) Misdemeanor if the value of the moneys obtained or  
22 denied is less than \$2,000; or

1           (3) Petty misdemeanor if the providing of false  
2           information did not cause any monetary loss.  
3 Any person subject to a criminal penalty under this section  
4 shall be ordered by a court to make restitution to an insurer or  
5 any other person for any financial loss sustained by the insurer  
6 or other person caused by the fraudulent act.

7           (e) In lieu of or in addition to the criminal penalties  
8 set forth in subsection (d), any person who violates subsections  
9 (a) and (b) may be subject to the administrative penalties of  
10 restitution of benefits or payments fraudulently received under  
11 this chapter, whether received from an employer, insurer, or the  
12 special compensation fund, to be made to the source from which  
13 the compensation was received, and one or more of the following:

- 14           (1) A fine of not more than \$10,000 for each violation;  
15           (2) Suspension or termination of benefits in whole or in  
16           part;  
17           (3) Suspension or disqualification from providing medical  
18           care or services, vocational rehabilitation services,  
19           and all other services rendered for payment under this  
20           chapter;  
21           (4) Suspension or termination of payments for medical,  
22           vocational rehabilitation, and all other services

1 rendered under this chapter;

2 (5) Recoupment by the insurer of all payments made for  
3 medical care, medical services, vocational  
4 rehabilitation services, and all other services  
5 rendered for payment under this chapter; and

6 (6) Reimbursement of attorney's fees and costs of the  
7 party or parties defrauded.

8 (f) With respect to the administrative penalties set forth  
9 in subsection (e), no penalty shall be imposed except upon  
10 consideration of a written complaint that specifically alleges a  
11 violation of this section occurring within two years of the date  
12 of said complaint. A copy of the complaint specifying the  
13 alleged violation shall be served promptly upon the person  
14 charged. The director or board shall issue, where a penalty is  
15 ordered, a written decision stating all findings following a  
16 hearing held not fewer than twenty days after written notice to  
17 the person charged. Any person aggrieved by the decision may  
18 appeal the decision under sections 386-87 and 386-88.

19 (g) The insurance fraud investigations unit of the  
20 department of commerce and consumer affairs, established  
21 pursuant to section 431:2-A, may initiate investigations,  
22 prosecutions, and disciplinary and administrative actions to

1 enforce this section, including, but not limited to, workers'  
2 compensation fraud relating to self-insured employers."

3 SECTION 3. Section 431:10C-307.7, Hawaii Revised Statutes,  
4 is repealed.

5 [~~"§431:10C-307.7 Insurance fraud; penalties. (a) A person~~  
6 ~~commits the offense of insurance fraud if the person acts or~~  
7 ~~omits to act with intent to obtain benefits or recovery or~~  
8 ~~compensation for services provided, or provides legal assistance~~  
9 ~~or counsel with intent to obtain benefits or recovery, through~~  
10 ~~the following means:~~

11 ~~(1) Knowingly presenting, or causing or permitting to be~~  
12 ~~presented, any false information on a claim;~~

13 ~~(2) Knowingly presenting, or causing or permitting to be~~  
14 ~~presented, any false claim for the payment of a loss;~~

15 ~~(3) Knowingly presenting, or causing or permitting to be~~  
16 ~~presented, multiple claims for the same loss or injury,~~  
17 ~~including presenting multiple claims to more than one~~  
18 ~~insurer, except when these multiple claims are~~  
19 ~~appropriate;~~

20 ~~(4) Knowingly making, or causing or permitting to be made,~~  
21 ~~any false claim for payment of a health care benefit;~~

- 1       ~~(5) Knowingly submitting, or causing or permitting to be~~  
2           ~~submitted, a claim for a health care benefit that was~~  
3           ~~not used by, or provided on behalf of, the claimant;~~
- 4       ~~(6) Knowingly presenting, or causing or permitting to be~~  
5           ~~presented, multiple claims for payment of the same~~  
6           ~~health care benefit except when these multiple claims~~  
7           ~~are appropriate;~~
- 8       ~~(7) Knowingly presenting, or causing or permitting to be~~  
9           ~~presented, for payment any undercharges for benefits on~~  
10          ~~behalf of a specific claimant unless any known~~  
11          ~~overcharges for benefits under this article for that~~  
12          ~~claimant are presented for reconciliation at the same~~  
13          ~~time;~~
- 14       ~~(8) Aiding, or agreeing or attempting to aid, soliciting,~~  
15           ~~or conspiring with any person who engages in an~~  
16           ~~unlawful act as defined under this section; or~~
- 17       ~~(9) Knowingly making, or causing or permitting to be made,~~  
18           ~~any false statements or claims by, or on behalf of, any~~  
19           ~~person or persons during an official proceeding as~~  
20           ~~defined by section 710-1000.~~
- 21       ~~(b) Violation of subsection (a) is a criminal offense and~~  
22       ~~shall constitute a:~~

1       ~~(1) Class B felony if the value of the benefits, recovery,~~  
2           ~~or compensation obtained or attempted to be obtained is~~  
3           ~~more than \$20,000;~~

4       ~~(2) Class C felony if the value of the benefits, recovery,~~  
5           ~~or compensation obtained or attempted to be obtained is~~  
6           ~~more than \$300; or~~

7       ~~(3) Misdemeanor if the value of the benefits, recovery, or~~  
8           ~~compensation obtained or attempted to be obtained is~~  
9           ~~\$300 or less.~~

10       ~~(c) Where the ability to make restitution can be~~  
11       ~~demonstrated, any person convicted under this section shall be~~  
12       ~~ordered by a court to make restitution to an insurer or any other~~  
13       ~~person for any financial loss sustained by the insurer or other~~  
14       ~~person caused by the act or acts for which the person was~~  
15       ~~convicted.~~

16       ~~(d) A person, if acting without malice, shall not be~~  
17       ~~subject to civil liability for providing information, including~~  
18       ~~filing a report, furnishing oral or written evidence, or giving~~  
19       ~~testimony concerning suspected, anticipated, or completed~~  
20       ~~insurance fraud to a court, the commissioner, the insurance fraud~~  
21       ~~investigations unit, the National Association of Insurance~~  
22       ~~Commissioners, any federal, state, or county law enforcement or~~

1 ~~regulatory agency, or another insurer if the information is~~  
2 ~~provided only for the purpose of preventing, investigating, or~~  
3 ~~prosecuting insurance fraud, except if the person commits~~  
4 ~~perjury.~~

5 ~~(c) This section shall not supersede any other law relating~~  
6 ~~to theft, fraud, or deception. Insurance fraud may be prosecuted~~  
7 ~~under this section, or any other applicable section, and may be~~  
8 ~~enjoined by a court of competent jurisdiction.~~

9 ~~(f) An insurer shall have a civil cause of action to~~  
10 ~~recover payments or benefits from any person who has~~  
11 ~~intentionally obtained payments or benefits in violation of this~~  
12 ~~section; provided that no recovery shall be allowed if the person~~  
13 ~~has made restitution under subsection (c).~~

14 ~~(g) All applications for insurance under this article and~~  
15 ~~all claim forms provided and required by an insurer, regardless~~  
16 ~~of the means of transmission, shall contain, or have attached to~~  
17 ~~them, the following or a substantially similar statement, in a~~  
18 ~~prominent location and typeface as determined by the insurer:—~~  
19 ~~"For your protection, Hawaii law requires you to be informed that~~  
20 ~~presenting a fraudulent claim for payment of a loss or benefit is~~  
21 ~~a crime punishable by fines or imprisonment, or both." The~~  
22 ~~absence of such a warning in any application or claim form shall~~

1 ~~not constitute a defense to a charge of insurance fraud under~~  
2 ~~this section.~~

3 ~~(h) An insurer, or the insurer's employee or agent, having~~  
4 ~~determined that there is reason to believe that a claim is being~~  
5 ~~made in violation of this section, shall provide to the insurance~~  
6 ~~fraud investigations unit within sixty days of that~~  
7 ~~determination, information, including documents and other~~  
8 ~~evidence, regarding the claim in the form and manner prescribed~~  
9 ~~by the unit. Information provided pursuant to this subsection~~  
10 ~~shall be protected from public disclosure to the extent~~  
11 ~~authorized by chapter 92F and section 431:2-209; provided that~~  
12 ~~the unit may release the information in an administrative or~~  
13 ~~judicial proceeding to enforce this section, to a federal, state,~~  
14 ~~or local law enforcement or regulatory authority, to the National~~  
15 ~~Association of Insurance Commissioners, or to an insurer~~  
16 ~~aggrieved by the claim reasonably believed to violate this~~  
17 ~~section." ]~~

18 SECTION 4. Section 431:10C-307.8, Hawaii Revised Statutes,  
19 is repealed.

20 [~~"§431:10C-307.8 Insurance fraud investigations unit. (a)~~  
21 ~~There is established in the insurance division an insurance fraud~~  
22 ~~investigations unit.~~

1       ~~(b) The unit shall employ attorneys, investigators,~~  
2 ~~investigator assistants, and other support staff as necessary to~~  
3 ~~promote the effective and efficient conduct of the unit's~~  
4 ~~activities. Notwithstanding any other law to the contrary, the~~  
5 ~~attorneys may represent the State in any judicial or~~  
6 ~~administrative proceeding to enforce all applicable state laws~~  
7 ~~relating to insurance fraud, including but not limited to~~  
8 ~~criminal prosecutions and actions for declaratory and injunctive~~  
9 ~~relief. Investigators may serve process and apply for and~~  
10 ~~execute search warrants pursuant to chapter 803 and the rules of~~  
11 ~~court but shall not otherwise have the powers of a police officer~~  
12 ~~or deputy sheriff. The commissioner may hire such employees not~~  
13 ~~subject to chapter 76.~~

14       ~~(c) The purpose of the insurance fraud investigations unit~~  
15 ~~shall be to conduct a statewide program for the prevention,~~  
16 ~~investigation, and prosecution of insurance fraud cases and~~  
17 ~~violations of all applicable state laws relating to insurance~~  
18 ~~fraud. The insurance fraud investigations unit may also review~~  
19 ~~and take appropriate action on complaints relating to insurance~~  
20 ~~fraud." ]~~

21       SECTION 5. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.

H.B. NO. 1327

1 SECTION 6. This Act shall take effect on July 1, 2007.

2

3

INTRODUCED BY:

Calvin K. Y. Day

4

BY REQUEST

JAN 22 2007

HB 1327

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO INSURANCE FRAUD.

PURPOSE: To expand the authority of the insurance division's insurance fraud investigations unit for the prevention, investigation, and prosecution (by administrative, disciplinary, or criminal action) of insurance fraud within the workers' compensation insurance line to protect Hawaii's consumers and the insurance industry from the high cost of insurance fraud.

MEANS: Add two new sections to article 2 of chapter 431, Hawaii Revised Statutes (HRS), amend section 386-98, HRS, and repeal sections 431:10C-307.7 and 431:10C-307.8, HRS.

JUSTIFICATION: In 1997, the Legislature found it necessary to protect Hawaii's citizens from the growing cost of motor vehicle insurance fraud, and enacted Act 251, Session Laws of Hawaii 1997. Among other things, Act 251 established the insurance fraud investigations unit in the insurance division and gave it the powers to address motor vehicle insurance fraud.

Presently, the insurance fraud investigations unit's authority to investigate and prosecute remains limited to motor vehicle insurance matters. As a result, though the Legislature enacted section 386-98, creating insurance fraud penalties for the workers' compensation line of insurance, little or no investigation or prosecution has occurred in this area.

This bill provides the insurance fraud investigations unit with the authority and

tools it needs to investigate and prosecute insurance fraud relating to workers' compensation insurance, in addition to its authority relating to motor vehicle insurance. The bill accomplishes this by: (1) repealing section 431:10C-307.8, which established the insurance fraud investigations unit in the motor vehicle article of the insurance code; (2) re-establishing the unit through a new section in article 2, chapter 431, with language specifying the unit's authority to conduct a statewide program for prevention, investigation, and prosecution of insurance fraud cases and violations arising from article 10C (relating to motor vehicle insurance) and chapter 386 (relating to workers' compensation insurance); (3) repealing section 431:10C-307.7, which establishes the offense of insurance fraud and penalties for insurance fraud violations; and (4) re-establishing the provisions of section 431:10C-307.7 in article 2, chapter 431.

The bill amends section 386-98 (relating to workers' compensation insurance fraud) by: (1) adding a new subsection authorizing the insurance fraud investigations unit to initiate investigations, prosecutions, and disciplinary and administrative actions to enforce the section; and (2) conforming the language of this section with the insurance fraud language in article 2, chapter 431, HRS.

Finally, the bill authorizes funding for the insurance fraud investigations unit from the compliance resolution fund and mandates that moneys recovered by the unit from insurance fraud be deposited into the fund. This includes all civil, criminal, and administrative fines and settlements, but not moneys paid for restitution. This will allow the insurance fraud investigations unit to help fund some of its cost in preventing, investigating, and prosecuting

insurance fraud.

Impact on the public: There should be a positive impact on the public as the insurance division will be allowed to address insurance fraud in the workers' compensation line of insurance in addition to the motor vehicle line of insurance. Policyholders will save money from the reduction of fraudulent claims and policies.

Impact on the department and other agencies: This bill will have the positive effect of lessening the workload of other state law enforcement agencies by allowing the insurance fraud investigations branch to take action in preventing, investigating, and prosecuting insurance fraud in both motor vehicle and workers' compensation lines of insurance. With the passage of this bill a more comprehensive approach can be taken to deter perpetrators of insurance fraud. No additional staffing is being requested with the initial passage of this bill. The insurance division will evaluate additional staffing needs at a future date, should it be determined that additional staffing may result in greater prevention and deterrence in stopping insurance fraud.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA-106.

OTHER AFFECTED AGENCIES: Department of Labor and Industrial Relations, Disability Compensation Division; Department of the Attorney General; and Department of Human Resources Development.

EFFECTIVE DATE: July 1, 2007.