
A BILL FOR AN ACT

RELATING TO INSURANCE FRAUD.

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

1 SECTION 1. The legislature finds that insurance fraud
2 reportedly costs every household in the United States an average
3 of \$500 per year. In Hawaii, the cost of motor vehicle
4 insurance fraud alone was estimated in 1997 to be over \$164
5 annually per household. In recognition of the impact that fraud
6 has on the cost of motor vehicle insurance, Act 251, Session
7 Laws of Hawaii 1997 (Act 251), established an insurance fraud
8 investigations unit and motor vehicle insurance fraud violations
9 and penalties. Act 155, Session Laws of Hawaii 1998 (Act 155),
10 clarified the penalties for the offense of motor vehicle
11 insurance fraud, enhanced the powers, and clarified the purpose
12 of the insurance fraud investigations unit to combat motor
13 vehicle insurance fraud.

14 Insurance fraud also increasingly affects costs within the
15 health insurance industry. Industry health care fraud losses
16 are estimated at three to fourteen per cent of the
17 \$1,200,000,000,000 in annual national health care costs. This
18 is equivalent to approximately \$36,000,000,000 to

1 \$168,000,000,000 annually. In Hawaii, based on the conservative
2 estimate that insurance fraud amounts to three per cent of
3 annual Hawaii health care costs, health insurance fraud causes
4 losses that exceed \$60,000,000 annually. In response to the
5 growing problem of fraud in the area of health insurance, the
6 legislature enumerated penalties for health insurance fraud
7 offenses in Act 125, Session Laws of Hawaii 2003. However, Act
8 125 does not clearly assign the responsibility of investigating
9 and prosecuting insurance fraud violations to a specific law
10 enforcement agency.

11 The legislature further finds that no line of insurance is
12 free of insurance fraud. Rather than limit administrative,
13 civil, and criminal penalties for insurance fraud to only motor
14 vehicle insurance, Hawaii's insurance fraud law should be
15 expanded to include all lines of insurance so as to deter
16 perpetrators of insurance fraud by demonstrating that no line of
17 insurance is a safe haven for those who commit insurance fraud.

18 The purpose of this Act is to:

19 (1) Establish an insurance fraud investigations branch to
20 replace the existing insurance fraud investigations
21 unit established in Act 251 and expanded by Act 15,
22 and to empower the branch to investigate and prosecute

1 insurance fraud in all lines of insurance except
2 workers' compensation under chapter 386, Hawaii
3 Revised Statutes;

4 (2) Impose administrative, civil, and criminal penalties
5 for offenses of insurance fraud in all covered lines
6 of insurance and for different types of insurance
7 fraud, including fraudulent applications and sales;
8 and

9 (3) Direct the deposit of fines and settlements resulting
10 from successful insurance fraud prosecutions into the
11 compliance resolution fund to help the insurance fraud
12 investigations branch cover the cost of preventing,
13 investigating, and prosecuting insurance fraud.

14 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
15 amended by adding a new part to article 2 to be appropriately
16 designated and to read as follows:

17 **"PART . INSURANCE FRAUD**

18 **§431:2-A Definitions.** As used in this part:

19 "Branch" means the insurance fraud investigations branch of
20 the insurance division of the department of commerce and
21 consumer affairs.

1 "Insurance policy" means a contract issued by an insurer or
2 other licensee.

3 "Intentionally" shall have the same meaning as under
4 section 702-206.

5 "Knowingly" shall have the same meaning as under section
6 702-206.

7 "Licensee" means an entity licensed under and governed by
8 title 24, including but not limited to an insurer governed by
9 chapter 431, a mutual benefit society governed by article 1 of
10 chapter 432, a fraternal benefit society governed by article 2
11 of chapter 432, or a health maintenance organization governed by
12 chapter 432D, and their respective agents and employees engaged
13 in the business of the licensee.

14 "Person" means any individual, company, association,
15 organization, group, partnership, business, trust, or
16 corporation; but shall exclude insurers, as defined in section
17 431:1-202, and other licensees, as defined in this part.

18 **§431:2-B Insurance fraud investigations branch. (a)**

19 There is established in the insurance division the insurance
20 fraud investigations branch for the purposes set forth in this
21 part.

22 (b) The branch shall:

- 1 (1) Conduct a statewide program for the prevention of
2 insurance fraud under title 24, including chapters
3 431, 432, and 432D; provided that the branch shall not
4 have jurisdiction over workers' compensation under
5 chapter 386;
- 6 (2) Notwithstanding any other law to the contrary,
7 investigate and prosecute in administrative hearings
8 and courts of competent jurisdiction all persons
9 involved in insurance fraud violations; and
- 10 (3) Promote public and industry-wide education about
11 insurance fraud.
- 12 (c) The branch may review and take appropriate action on
13 complaints relating to insurance fraud.
- 14 (d) The commissioner shall employ or retain, by contract
15 or otherwise, attorneys, investigators, investigator assistants,
16 auditors, accountants, physicians, health care professionals,
17 paralegals, consultants, experts, and other professional,
18 technical, and support staff as necessary to promote the
19 effective and efficient conduct of the branch's activities. The
20 commissioner may hire these employees without regard to chapters
21 76 or 89.

1 (e) Notwithstanding any other law to the contrary, an
2 attorney employed or retained by the branch may represent the
3 State in any criminal, civil, or administrative proceeding to
4 enforce all applicable state laws relating to insurance fraud,
5 including but not limited to criminal prosecutions, disciplinary
6 actions, and actions for declaratory and injunctive relief. The
7 attorney general may designate an attorney as a special deputy
8 attorney general for purposes of this subsection.

9 (f) Investigators appointed and commissioned under this
10 part shall have and may exercise all of the powers and authority
11 of a police officer or of a deputy sheriff.

12 (g) Funding for the branch shall come from the compliance
13 resolution fund established by section 26-9(o).

14 **§431:2-C Insurance fraud.** (a) A person commits the
15 offense of insurance fraud if the person:

16 (1) Intentionally or knowingly misrepresents or conceals
17 material facts, opinions, intention, or law to obtain
18 or attempt to obtain coverage, benefits, recovery, or
19 compensation:

20 (A) When presenting an application, whether written,
21 typed, or transmitted through electronic media,

- 1 for the issuance or renewal of an insurance
2 policy or reinsurance contract;
- 3 (B) When presenting false information on a claim for
4 payment;
- 5 (C) When presenting a claim for the payment of a
6 loss;
- 7 (D) When presenting multiple claims for the same loss
8 or injury, including knowingly presenting such
9 multiple and duplicative claims to more than one
10 insurer;
- 11 (E) When presenting any claim for payment of a health
12 care benefit;
- 13 (F) When presenting a claim for a health care benefit
14 that was not used by, or provided on behalf of,
15 the claimant;
- 16 (G) When presenting improper multiple and duplicative
17 claims for payment of the same health care
18 benefit;
- 19 (H) When presenting for payment any undercharges for
20 benefits on behalf of a specific claimant unless
21 any known overcharges for benefits under this

1 article for that claimant are presented for
2 reconciliation at the same time;

3 (I) When fabricating, altering, concealing, making an
4 entry in, or destroying a document whether typed,
5 written, or through an audio or video tape or
6 electronic media;

7 (J) When presenting to a person, insurer, or other
8 licensee false, incomplete, or misleading
9 information to obtain coverage or payment
10 otherwise available under an insurance policy;

11 (K) When presenting to a person or producer,
12 information about a person's status as a licensee
13 that induces a person or insurer to purchase an
14 insurance policy or reinsurance contract; and

15 (L) When making any statement, either typed, written,
16 or through audio or video tape or electronic
17 media, or claims by the person or on behalf of a
18 person with regard to obtaining legal recovery or
19 benefits;

20 (2) Intentionally or knowingly aids, agrees, or attempts
21 to aid, solicit, or conspire with any person who

1 engages in an unlawful act as defined under this
2 section; or

3 (3) Intentionally or knowingly makes, causes, or permits
4 to be presented, any false statements or claims by any
5 person or on behalf of any person during an official
6 proceeding as defined by section 710-1000.

7 (b) Where the person acting with intent to defraud under
8 subsection (a) possessed actual knowledge or acted in deliberate
9 ignorance of the truth or falsity of the misrepresentation or
10 concealment of the material facts, opinions, intention, or law,
11 insurance fraud is:

12 (1) A class B felony if the value of the benefits,
13 recovery, or compensation obtained or attempted to be
14 obtained is more than \$20,000;

15 (2) A class C felony if the value of the benefits,
16 recovery, or compensation obtained or attempted to be
17 obtained is more than \$300; or

18 (3) A misdemeanor if the value of the benefits, recovery,
19 or compensation obtained or attempted to be obtained
20 is \$300 or less.

21 (c) This section shall not supersede any other law
22 relating to theft, fraud, or deception. Insurance fraud may be

1 prosecuted under this part, or any other applicable statute or
2 common law, and all such remedies shall be cumulative.

3 **§431:2-D Restitution.** Where the ability to make
4 restitution can be demonstrated, any person convicted under this
5 part shall be ordered by a court to make restitution to any
6 insurer, person, or licensee for any financial loss sustained by
7 that insurer, person, or licensee that was caused by the act or
8 acts for which the person was convicted.

9 **§431:2-E Insurance fraud; administrative penalties.** (a)
10 In addition to or in lieu of criminal penalties under section
11 431:2-C(b), any person who commits insurance fraud as defined
12 under section 431:2-C, may be subject to the administrative
13 penalties of this section.

14 (b) If a person is found to have knowingly committed
15 insurance fraud under this part, the commissioner may assess any
16 or all of the following penalties:

17 (1) Restitution to any insurer or any other person of
18 benefits or payments fraudulently received or other
19 damages or costs incurred;

20 (2) A fine of not more than \$10,000 for each violation;
21 and

1 (3) Reimbursement of attorneys' fees and costs of the
2 party sustaining a loss under this part; provided that
3 the State shall be exempt from paying attorneys' fees
4 and costs to other parties.

5 (c) Administrative actions brought for insurance fraud
6 under this part shall be brought within six years after the
7 insurance fraud is discovered or by exercise of reasonable
8 diligence should have been discovered and, in any event, no more
9 than ten years after the date on which a violation of this part
10 is committed.

11 **§431:2-F Administrative procedures.** (a) An
12 administrative penalty may be imposed upon a judgment by a court
13 of competent jurisdiction or upon an order by the commissioner.

14 (b) The commissioner shall hold a hearing in accordance
15 with chapter 91, prior to imposing any administrative remedy.

16 **§431:2-G Acceptance of payment.** A provider's failure to
17 dispute a reduced payment by an insurer shall not constitute an
18 implied admission that a fraudulent billing was submitted.

19 **§431:2-H Civil cause of action for insurance fraud;**
20 **exemption.** (a) An insurer or other licensee shall have a civil
21 cause of action to recover payments or benefits from any person
22 who has violated section 431:2-C; provided that no recovery

1 shall be allowed if the person has made restitution pursuant to
2 section 431:2-D or 431:2-E(b) (1) .

3 (b) A person, insurer, or other licensee, including an
4 insurer's or other licensee's adjusters, bill reviewers,
5 producers, representatives, or common-law agents shall not be
6 subject to civil liability for providing information, including
7 filing a report, furnishing oral, written, audiotaped,
8 videotaped, or electronic media evidence, providing documents,
9 or giving testimony concerning suspected, anticipated, or
10 completed insurance fraud to:

- 11 (1) A court;
- 12 (2) The commissioner;
- 13 (3) The branch;
- 14 (4) The National Association of Insurance Commissioners;
- 15 (5) The National Insurance Crime Bureau;
- 16 (6) Any federal, state, or county law enforcement or
17 regulatory agency; or
- 18 (7) Another insurer or other licensee,
19 if acting without actual malice and if the information is
20 provided for the purpose of preventing, investigating, or
21 prosecuting insurance fraud, except if the person commits
22 perjury.

1 (c) Civil actions for insurance fraud under this part
2 shall be filed within six years after the insurance fraud is
3 discovered or should have been discovered by exercise of
4 reasonable diligence; provided that no civil action shall be
5 filed more than ten years after the date on which a violation of
6 this part is committed.

7 **§431:2-I Mandatory reporting.** (a) Within sixty days of
8 an insurer or other licensee's employee or agent discovering
9 credible information indicating a violation of section 431:2-C,
10 or as soon thereafter as practicable, the insurer or licensee
11 shall provide to the branch information, including documents and
12 other evidence, regarding the alleged violation of section
13 431:2-C. The insurance fraud investigations branch shall work
14 with the insurer or licensee to determine what information shall
15 be provided.

16 (b) Information provided pursuant to this section shall be
17 protected from public disclosure to the extent authorized by
18 chapter 92F and section 431:2-209; provided that the branch may
19 release the information in an administrative or judicial
20 proceeding to enforce this part to federal, state, or local law
21 enforcement or regulatory authorities, the National Association
22 of Insurance Commissioners, the National Insurance Crime Bureau,

1 or an insurer or other licensee aggrieved by the alleged
2 violation of section 431:2-C.

3 **§431:2-J Deposit into the compliance resolution fund.** All
4 moneys that have been recovered by the department of commerce
5 and consumer affairs as a result of prosecuting insurance fraud
6 violations pursuant to this part, including civil fines,
7 criminal fines, administrative fines, and settlements, but not
8 including restitution made pursuant to section 431:2-D,
9 431:2-E(b) (1), or 431:2-H, shall be deposited into the
10 compliance resolution fund established pursuant to section
11 26-9(o)."

12 SECTION 3. Section 431:2-203, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) (1) A person who intentionally or knowingly violates,
15 intentionally or knowingly permits any person over
16 whom the person has authority to violate, or
17 intentionally or knowingly aids any person in
18 violating any insurance rule or statute of this State
19 or any effective order issued by the commissioner,
20 shall be subject to any penalty or fine as [~~stated in~~]
21 provided by this code or by the penal code of the
22 Hawaii Revised Statutes.

1 (2) If the commissioner has cause to believe that any
2 person has violated any penal provision of this code
3 or of other laws relating to insurance, the
4 commissioner shall proceed against that person or
5 certify the facts of the violation to the public
6 prosecutor of the jurisdiction in which the offense
7 was committed.

8 (3) Violation of any provision of this code is punishable
9 by a fine of not less than \$100 nor more than \$10,000
10 per violation, or by imprisonment for not more than
11 one year, or both, in addition to any other penalty or
12 forfeiture provided herein or otherwise by law.

13 (4) The terms "intentionally" and "knowingly" shall have
14 the same meanings [~~given~~] as defined in section
15 702-206(1) and (2)."

16 SECTION 4. Section 431:2-204, Hawaii Revised Statutes, is
17 amended by amending subsection (d) to read as follows:

18 "(d) When the commissioner, through the insurance fraud
19 investigations [~~unit,~~] branch, is conducting an investigation of
20 possible violations of [~~section 431:10C-307.7,~~] part _____, the
21 commissioner shall pay to a financial institution that is served
22 a subpoena issued under this section a fee for reimbursement of

1 ~~[such]~~ the costs ~~[as]~~ that are necessary and which have been
2 directly incurred in searching for, reproducing, or transporting
3 books, papers, documents, or other objects designated by the
4 subpoena. Reimbursement shall be paid at a rate not to exceed
5 the rate set forth in section 28-2.5(d)."

6 SECTION 5. Section 432:2-102, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) Nothing in this article shall exempt fraternal
9 benefit societies from the provisions and requirements of
10 part of article 2 of chapter 431 and of section 431:2-215."

11 SECTION 6. Section 706-606.5, Hawaii Revised Statutes, is
12 amended by amending subsection (1) to read as follows:

13 "(1) Notwithstanding section 706-669 and any other law to
14 the contrary, any person convicted of murder in the second
15 degree, any class A felony, any class B felony, or any of the
16 following class C felonies: section 188-23 relating to
17 possession or use of explosives, electrofishing devices, and
18 poisonous substances in state waters; section 386-98(d)(1)
19 relating to fraud violations and penalties; ~~[section~~
20 ~~431:10A-131(b)(2) relating to insurance fraud; section 431:10C-~~
21 ~~307.7(b)(2) relating to insurance fraud; section 432:1-106(b)(2)~~
22 ~~relating to insurance fraud; section 432D-18.5(b)(2)] section~~

1 431:2-C(b)(2) relating to insurance fraud; section 707-703
2 relating to negligent homicide in the second degree; section
3 707-711 relating to assault in the second degree; section
4 707-713 relating to reckless endangering in the first degree;
5 section 707-716 relating to terroristic threatening in the first
6 degree; section 707-721 relating to unlawful imprisonment in the
7 first degree; section 707-732 relating to sexual assault [~~or~~
8 ~~rape~~] in the third degree; section 707-752 relating to promoting
9 child abuse in the third degree; section 707-757 relating to
10 electronic enticement of a child in the second degree; section
11 707-766 relating to extortion in the second degree; section
12 708-811 relating to burglary in the second degree; section
13 708-821 relating to criminal property damage in the second
14 degree; section [~~708-831~~] 708-830.5 relating to theft in the
15 first degree [~~as amended by Act 68, Session Laws of Hawaii~~
16 ~~1981~~]; section 708-831 relating to theft in the second degree;
17 section 708-835.5 relating to theft of livestock; section
18 708-836 relating to unauthorized control of propelled vehicle;
19 section 708-839.8 relating to identity theft in the third
20 degree; section 708-839.55 relating to unauthorized possession
21 of confidential personal information; section 708-852 relating
22 to forgery in the second degree; section 708-854 relating to

1 criminal possession of a forgery device; section 708-875
2 relating to trademark counterfeiting; section 710-1071 relating
3 to intimidating a witness; section 711-1103 relating to riot;
4 section 712-1203 relating to promoting prostitution in the
5 second degree; section 712-1221 relating to promoting gambling
6 in the first degree; section 712-1224 relating to possession of
7 gambling records in the first degree; section 712-1243 relating
8 to promoting a dangerous drug in the third degree; section
9 712-1247 relating to promoting a detrimental drug in the first
10 degree; section 846E-9 relating to failure to comply with
11 covered offender registration requirements; section 134-7
12 relating to ownership or possession of firearms or ammunition by
13 persons convicted of certain crimes; section 134-8 relating to
14 ownership, etc., of prohibited weapons; section 134-9 relating
15 to [~~permits~~] licenses to carry, or who is convicted of
16 attempting to commit murder in the second degree, any class A
17 felony, any class B felony, or any of the class C felony
18 offenses enumerated above and who has a prior conviction or
19 prior convictions for the following felonies, including an
20 attempt to commit the same: murder, murder in the first or
21 second degree, a class A felony, a class B felony, any of the
22 class C felony offenses enumerated above, or any felony

1 conviction of another jurisdiction, shall be sentenced to a
2 mandatory minimum period of imprisonment without possibility of
3 parole during such period as follows:

4 (a) One prior felony conviction:

5 (i) Where the instant conviction is for murder in the
6 second degree or attempted murder in the second
7 degree--ten years;

8 (ii) Where the instant conviction is for a class A
9 felony--six years, eight months;

10 (iii) Where the instant conviction is for a class B
11 felony--three years, four months; and

12 (iv) Where the instant conviction is for a class C
13 felony offense enumerated above--one year, eight
14 months;

15 (b) Two prior felony convictions:

16 (i) Where the instant conviction is for murder in the
17 second degree or attempted murder in the second
18 degree--twenty years;

19 (ii) Where the instant conviction is for a class A
20 felony--thirteen years, four months;

21 (iii) Where the instant conviction is for a class B
22 felony--six years, eight months; and

- 1 (iv) Where the instant conviction is for a class C
2 felony offense enumerated above--three years,
3 four months;
- 4 (c) Three or more prior felony convictions:
- 5 (i) Where the instant conviction is for murder in the
6 second degree or attempted murder in the second
7 degree--thirty years;
- 8 (ii) Where the instant conviction is for a class A
9 felony--twenty years;
- 10 (iii) Where the instant conviction is for a class B
11 felony--ten years; and
- 12 (iv) Where the instant conviction is for a class C
13 felony offense enumerated above--five years."

14 SECTION 7. Section 706-643, Hawaii Revised Statutes, is
15 amended by amending subsection (2) to read as follows:

16 "(2) All fines and other final payments received by a
17 clerk or other officer of a court shall be accounted for, with
18 the names of persons making payment, and the amount and date
19 thereof, being recorded. All such funds shall be deposited with
20 the director of finance to the credit of the general fund of the
21 State. With respect to fines and bail forfeitures which are
22 proceeds of the wildlife revolving fund under section 183D-10.5,

1 and fines which are proceeds of the compliance resolution fund
2 under sections 26-9(o) and 431:2-J, the director of finance
3 shall transmit the fines and forfeitures to [~~that fund.~~] those
4 funds."

5 SECTION 8. Section 806-83, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) Criminal charges may be instituted by written
8 information for a felony when the charge is a class C felony
9 under section 19-3.5 (voter fraud); section 128D-10 (knowing
10 releases); section 132D-14(a)(1), (2)(A), and (3) (penalties for
11 failure to comply with requirements of sections 132D-7, 132D-10,
12 and 132D-16); section 134-24 (place to keep unloaded firearms
13 other than pistols and revolvers); section 134-7(a) and (b)
14 (ownership or possession prohibited); section 134-8 (prohibited
15 ownership); section 134-9 (licenses to carry); section 134-17(a)
16 (relating to false information or evidence concerning
17 psychiatric or criminal history); section 134-51 (deadly
18 weapons); section 134-52 (switchblade knives); section 134-53
19 (butterfly knives); section 188-23 (possession or use of
20 explosives, electrofishing devices, and poisonous substances in
21 state waters prohibited); section 231-34 (attempt to evade or
22 defeat tax); section 231-36 (false and fraudulent statements);

1 section 245-37 (sale or purchase of packages of cigarettes
2 without stamps); section 245-38 (vending unstamped cigarettes);
3 section 245-51 (sale of export cigarettes prohibited); section
4 245-52 (alteration of packaging prohibited); section 291C-12.5
5 (accidents involving substantial bodily injury); section
6 291E-61.5 (habitually operating a vehicle under the influence of
7 an intoxicant); section 329-41 (prohibited acts B); section
8 329-42 (prohibited acts C); section 329-43.5 (prohibited acts
9 related to drug paraphernalia); section 329C-2 (manufacture,
10 distribution, or possession with intent to distribute an
11 imitation controlled substance to a person under eighteen years
12 of age); section 346-34(d) (2) and (e) (fraud involving food
13 stamps or coupons with a value exceeding \$300); section 346-43.5
14 (medical assistance fraud); section 383-141 (falsely obtaining
15 benefits); [~~section 431:10C-307.7~~] section 431:2-C(b) (2)
16 (insurance fraud); section 482D-7 (violation of fineness
17 standards and stamping requirements); section 485A-301
18 (registration of securities); section 485A-401 (registration of
19 broker-dealers); section 485A-402 (registration of agents);
20 section 485A-403 (registration of investment [~~advisors~~];
21 advisers); section 485A-404 (registration of investment
22 [~~advisor~~] adviser [~~representatives~~]); section 485A-405

1 (registration of federal covered investment [~~advisers~~
2 advisers]); section 485A-501 (general fraud); section 485A-502
3 (prohibited conduct in providing investment advice); section
4 707-703 (negligent homicide in the second degree); section
5 707-705 (negligent injury in the first degree); section 707-711
6 (assault in the second degree); section 707-713 (reckless
7 endangering in the first degree); section 707-721 (unlawful
8 imprisonment in the first degree); section 707-726 (custodial
9 interference in the first degree); section 707-757 (electronic
10 enticement of a child in the second degree); section 707-766
11 (extortion in the second degree); section 708-811 (burglary in
12 the second degree); section 708-821 (criminal property damage in
13 the second degree); section 708-831 (theft in the second
14 degree); section 708-833.5 (shoplifting); section 708-835.5
15 (theft of livestock); section 708-836 (unauthorized control of
16 propelled vehicle); section 708-836.5 (unauthorized entry into
17 motor vehicle in the first degree); section 708-839.5 (theft of
18 utility services); section 708-839.8 (identity theft in the
19 third degree); section 708-852 (forgery in the second degree);
20 section 708-854 (criminal possession of a forgery device);
21 section 708-858 (suppressing a testamentary or recordable
22 instrument); section 708-875 (trademark counterfeiting); section

1 708-891.5 (computer fraud in the second degree); section
2 708-892.5 (computer damage in the second degree); section
3 708-895.6 (unauthorized computer access in the second degree);
4 section 708-8100 (fraudulent use of a credit card); section
5 708-8102 (theft/forgery of credit cards); section 708-8103
6 (credit card fraud by a provider of goods or services); section
7 708-8104 (possession of unauthorized credit card machinery or
8 incomplete cards); section 708-8200 (cable television service
9 fraud in the first degree); section 708-8202 (telecommunication
10 service fraud in the first degree); section 709-903.5
11 (endangering the welfare of a minor in the first degree);
12 section 709-906 (abuse of family or household members); section
13 710-1016.3 (obtaining a government-issued identification
14 document under false pretenses in the first degree); section
15 710-1016.6 (impersonating a law enforcement officer in the first
16 degree); section 710-1017.5 (sale or manufacture of deceptive
17 identification document); section 710-1018 (securing the
18 proceeds of an offense); section 710-1021 (escape in the second
19 degree); section 710-1023 (promoting prison contraband in the
20 second degree); section 710-1024 (bail jumping in the first
21 degree); section 710-1029 (hindering prosecution in the first
22 degree); section 710-1060 (perjury); section 710-1072.5

1 (obstruction of justice); section 711-1103 (riot); section
2 711-1109.3 (cruelty to animals/fighting dogs); section
3 711-1110.9 (violation of privacy in the first degree); section
4 711-1112 (interference with the operator of a public transit
5 vehicle); section 712-1221 (promoting gambling in the first
6 degree); section 712-1222.5 (promoting gambling aboard ships);
7 section 712-1224 (possession of gambling records in the first
8 degree); section 712-1243 (promoting a dangerous drug in the
9 third degree); section 712-1246 (promoting a harmful drug in the
10 third degree); section 712-1247 (promoting a detrimental drug in
11 the first degree); section 712-1249.6 (promoting a controlled
12 substance in, on, or near schools or school vehicles); section
13 803-42 (interception, access, and disclosure of wire, oral, or
14 electronic communications, use of pen register, trap and trace
15 device, and mobile tracking device prohibited); or section
16 846E-9(b) (failure to comply with covered offender registration
17 requirements)."

18 SECTION 9. Section 431:10A-131, Hawaii Revised Statutes,
19 is repealed.

20 ~~["§431:10A-131] Insurance fraud; penalties. (a) A person~~
21 ~~commits the offense of insurance fraud if the person acts or~~
22 ~~omits to act with intent to obtain benefits or recovery or~~

1 ~~compensation for services provided, or provides legal assistance~~
2 ~~or counsel with intent to obtain benefits or recovery, through~~
3 ~~the following means:~~

4 ~~(1) Knowingly presenting, or causing or permitting to be~~
5 ~~presented, with the intent to defraud, any false~~
6 ~~information on a claim;~~

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

9 ~~(3) Knowingly presenting, or causing or permitting to be~~
10 ~~presented, multiple claims for the same loss or~~
11 ~~injury, including presenting multiple claims to more~~
12 ~~than one insurer, except when these multiple claims~~
13 ~~are appropriate;~~

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

16 ~~(5) Knowingly submitting, or causing or permitting to be~~
17 ~~submitted, a claim for a health care benefit that was~~
18 ~~not used by, or provided on behalf of, the claimant;~~

19 ~~(6) Knowingly presenting, or causing or permitting to be~~
20 ~~presented, multiple claims for payment of the same~~
21 ~~health care benefit except when these multiple claims~~
22 ~~are appropriate;~~

- 1 ~~(7) Knowingly presenting, or causing or permitting to be~~
- 2 ~~presented, for payment any undercharges for benefits~~
- 3 ~~on behalf of a specific claimant unless any known~~
- 4 ~~overcharges for benefits under this article for that~~
- 5 ~~claimant are presented for reconciliation at the same~~
- 6 ~~time;~~
- 7 ~~(8) Aiding, or agreeing or attempting to aid, soliciting,~~
- 8 ~~or conspiring with any person who engages in an~~
- 9 ~~unlawful act as defined under this section; or~~
- 10 ~~(9) Knowingly making, or causing or permitting to be made,~~
- 11 ~~any false statements or claims by, or on behalf of,~~
- 12 ~~any person or persons during an official proceeding as~~
- 13 ~~defined by section 710-1000.~~
- 14 ~~(b) Violation of subsection (a) is a criminal offense and~~
- 15 ~~shall constitute a:~~
- 16 ~~(1) Class B felony if the value of the benefits, recovery,~~
- 17 ~~or compensation obtained or attempted to be obtained~~
- 18 ~~is more than \$20,000;~~
- 19 ~~(2) Class C felony if the value of the benefits, recovery,~~
- 20 ~~or compensation obtained or attempted to be obtained~~
- 21 ~~is more than \$300; or~~

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

4 ~~(c) Where the ability to make restitution can be~~
5 ~~demonstrated, any person convicted under this section shall be~~
6 ~~ordered by a court to make restitution to an insurer or any~~
7 ~~other person for any financial loss sustained by the insurer or~~
8 ~~other person caused by the act or acts for which the person was~~
9 ~~convicted.~~

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

21 ~~(e) This section shall not supersede any other law~~
22 ~~relating to theft, fraud, or deception. Insurance fraud may be~~

1 ~~prosecuted under this section, or any other applicable section,~~
2 ~~and may be enjoined by a court of competent jurisdiction.~~

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

8 SECTION 10. Section 431:10C-307.7, Hawaii Revised
9 Statutes, is repealed.

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

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

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

20 ~~(3) Knowingly presenting, or causing or permitting to be~~
21 ~~presented, multiple claims for the same loss or~~

22 ~~injury, including presenting multiple claims to more~~

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

1 ~~any person or persons during an official proceeding as~~
2 ~~defined by section 710-1000.~~

3 ~~(b) Violation of subsection (a) is a criminal offense and~~
4 ~~shall constitute a:~~

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

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

11 ~~(3) Misdemeanor if the value of the benefits, recovery, or~~
12 ~~compensation obtained or attempted to be obtained is~~
13 ~~\$300 or less.~~

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

20 ~~(d) A person, if acting without malice, shall not be~~
21 ~~subject to civil liability for providing information, including~~
22 ~~filing a report, furnishing oral or written evidence, or giving~~

1 ~~testimony concerning suspected, anticipated, or completed~~
2 ~~insurance fraud to a court, the commissioner, the insurance~~
3 ~~fraud investigations unit, the National Association of Insurance~~
4 ~~Commissioners, any federal, state, or county law enforcement or~~
5 ~~regulatory agency, or another insurer if the information is~~
6 ~~provided only for the purpose of preventing, investigating, or~~
7 ~~prosecuting insurance fraud, except if the person commits~~
8 ~~perjury.~~

9 ~~(e) This section shall not supersede any other law~~
10 ~~relating to theft, fraud, or deception. Insurance fraud may be~~
11 ~~prosecuted under this section, or any other applicable section,~~
12 ~~and may be enjoined by a court of competent jurisdiction.~~

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

18 ~~(g) All applications for insurance under this article and~~
19 ~~all claim forms provided and required by an insurer, regardless~~
20 ~~of the means of transmission, shall contain, or have attached to~~
21 ~~them, the following or a substantially similar statement, in a~~
22 ~~prominent location and typeface as determined by the insurer:~~

1 ~~"For your protection, Hawaii law requires you to be informed~~
2 ~~that presenting a fraudulent claim for payment of a loss or~~
3 ~~benefit is a crime punishable by fines or imprisonment, or~~
4 ~~both." The absence of such a warning in any application or~~
5 ~~claim form shall not constitute a defense to a charge of~~
6 ~~insurance fraud under this section.~~

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

1 SECTION 11. Section 431:10C-307.8, Hawaii Revised
2 Statutes, is repealed.

3 ~~["§431:10C-307.8 Insurance fraud investigations unit. (a)~~
4 ~~There is established in the insurance division an insurance~~
5 ~~fraud investigations unit.~~

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

19 ~~(c) The purpose of the insurance fraud investigations unit~~
20 ~~shall be to conduct a statewide program for the prevention,~~
21 ~~investigation, and prosecution of insurance fraud cases and~~
22 ~~violations of all applicable state laws relating to insurance~~

1 ~~fraud. The insurance fraud investigations unit may also review~~
2 ~~and take appropriate action on complaints relating to insurance~~
3 ~~fraud."]~~

4 SECTION 12. Section 432:1-106, Hawaii Revised Statutes, is
5 repealed.

6 ~~["~~§432:1-106~~ Insurance fraud; penalties. (a) A person~~
7 ~~commits the offense of insurance fraud if the person acts or~~
8 ~~omits to act with intent to obtain benefits or recovery or~~
9 ~~compensation for services provided, or provides legal assistance~~
10 ~~or counsel with intent to obtain benefits or recovery, through~~
11 ~~the following means:~~

- 12 ~~(1) Knowingly presenting, or causing or permitting to be~~
13 ~~presented, with the intent to defraud, any false~~
14 ~~information on a claim;~~
- 15 ~~(2) Knowingly presenting, or causing or permitting to be~~
16 ~~presented, any false claim for the payment of a loss;~~
- 17 ~~(3) Knowingly presenting, or causing or permitting to be~~
18 ~~presented, multiple claims for the same loss or~~
19 ~~injury, including presenting multiple claims to more~~
20 ~~than one insurer, except when these multiple claims~~
21 ~~are appropriate;~~

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

1 ~~(b) Violation of subsection (a) is a criminal offense and~~
2 ~~shall constitute a:~~

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

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

9 ~~(3) Misdemeanor if the value of the benefits, recovery, or~~
10 ~~compensation obtained or attempted to be obtained is~~
11 ~~\$300 or less.~~

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

18 ~~(d) A person, if acting without malice, shall not be~~
19 ~~subject to civil liability for providing information, including~~
20 ~~filing a report, furnishing oral or written evidence, providing~~
21 ~~documents, or giving testimony concerning suspected,~~
22 ~~anticipated, or completed public or private insurance fraud to a~~

1 ~~court, the commissioner, the insurance fraud investigations~~
2 ~~unit, the National Association of Insurance Commissioners, any~~
3 ~~federal, state, or county law enforcement or regulatory agency,~~
4 ~~or another insurer if the information is provided only for the~~
5 ~~purpose of preventing, investigating, or prosecuting insurance~~
6 ~~fraud, except if the person commits perjury.~~

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

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

16 SECTION 13. Section 432D-18.5, Hawaii Revised Statutes, is
17 repealed.

18 ~~["~~[S432D-18.5] Insurance fraud; penalties.~~ (a) A person~~
19 ~~commits the offense of insurance fraud if the person acts or~~
20 ~~omits to act with intent to obtain benefits or recovery or~~
21 ~~compensation for services provided, or provides legal assistance~~

1 ~~or counsel with intent to obtain benefits or recovery, through~~
2 ~~the following means:~~

3 ~~(1) Knowingly presenting, or causing or permitting to be~~
4 ~~presented, with the intent to defraud, any false~~
5 ~~information on a claim;~~

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

8 ~~(3) Knowingly presenting, or causing or permitting to be~~
9 ~~presented, multiple claims for the same loss or~~
10 ~~injury, including presenting multiple claims to more~~
11 ~~than one insurer, except when these multiple claims~~
12 ~~are appropriate;~~

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

15 ~~(5) Knowingly submitting, or causing or permitting to be~~
16 ~~submitted, a claim for a health care benefit that was~~
17 ~~not used by, or provided on behalf of, the claimant;~~

18 ~~(6) Knowingly presenting, or causing or permitting to be~~
19 ~~presented, multiple claims for payment of the same~~
20 ~~health care benefit except when these multiple claims~~
21 ~~are appropriate;~~

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

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

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

- 14 ~~(b) Violation of subsection (a) is a criminal offense and~~
- 15 ~~shall constitute a:~~

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

- 19 ~~(2) Class C felony if the value of the benefits, recovery,~~
- 20 ~~or compensation obtained or attempted to be obtained~~
- 21 ~~is more than \$300; or~~

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

4 ~~(c) Where the ability to make restitution can be~~
5 ~~demonstrated, any person convicted under this section shall be~~
6 ~~ordered by a court to make restitution to an insurer or any~~
7 ~~other person for any financial loss sustained by the insurer or~~
8 ~~other person caused by the act or acts for which the person was~~
9 ~~convicted.~~

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

21 ~~(e) This section shall not supersede any other law~~
22 ~~relating to theft, fraud, or deception. Insurance fraud may be~~

1 ~~prosecuted under this section, or any other applicable section,~~
2 ~~and may be enjoined by a court of competent jurisdiction.~~

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

8 SECTION 14. All rights, powers, functions, and duties of
9 the insurance fraud investigations unit are transferred to the
10 insurance fraud investigations branch.

11 All officers and employees whose functions are transferred
12 by this Act shall be transferred with their functions and shall
13 continue to perform their regular duties upon their transfer,
14 subject to the state personnel laws and this Act.

15 Any employee who, prior to the effective date of this Act,
16 was exempt from civil service and who may be transferred as a
17 consequence of this Act, may continue to retain the employee's
18 exempt status, but shall not be appointed to a civil service
19 position because of this Act. No employee who is transferred as
20 a result of this Act shall suffer any loss of prior service
21 credit, any vacation and sick leave credits previously earned,
22 or other employee benefits or privileges as a consequence of

1 this Act. The director of commerce and consumer affairs shall
2 prescribe the duties and qualifications of such employees and
3 fix their salaries without regard to chapter 76, Hawaii Revised
4 Statutes.

5 SECTION 15. All appropriations, records, equipment,
6 machines, files, supplies, contracts, books, papers, documents,
7 maps, and other personal property heretofore made, used,
8 acquired, or held by the insurance fraud investigations unit
9 relating to the functions transferred to the insurance fraud
10 investigations branch shall be transferred with the functions to
11 which they relate.

12 SECTION 16. This Act does not affect rights and duties
13 that matured, penalties that were incurred, and proceedings that
14 were begun, before its effective date.

15 SECTION 17. All rules, policies, procedures, guidelines,
16 and other material adopted or developed by the department of
17 commerce and consumer affairs to implement provisions of the
18 Hawaii Revised Statutes which are reenacted or made applicable
19 to the department of commerce and consumer affairs by this Act,
20 shall remain in full force and effect until amended or repealed
21 by the department of commerce and consumer affairs pursuant to
22 chapter 91, Hawaii Revised Statutes. In the interim, every

1 reference to the insurance fraud investigations unit or director
2 of commerce and consumer affairs in those rules, policies,
3 procedures, guidelines, and other material is amended to refer
4 to the insurance fraud investigations branch or director of
5 commerce and consumer affairs as appropriate.

6 SECTION 18. In codifying the new sections added by section
7 2 of this Act, the revisor of statutes shall substitute
8 appropriate section numbers for the letters used in designating
9 the new sections in this Act.

10 SECTION 19. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 20. This Act shall take effect upon approval.

Report Title:

Insurance Fraud

Description:

Expands the authority of the Insurance Division's Insurance Fraud Investigations Unit, renamed the Insurance Fraud Investigation Branch, to prevent, investigate, and prosecute -- both civilly and criminally -- insurance fraud beyond motor vehicle insurance cases to all lines of insurance except workers' compensation. (SD1)