
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 and enhanced the powers and clarified the
12 purpose of the insurance fraud investigations unit to combat
13 motor 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 to deter perpetrators
16 of insurance fraud by demonstrating that no line of insurance is
17 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 155,
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 an insurer governed by chapter 431, a mutual
9 benefit society governed by article 1 of chapter 432, a
10 fraternal benefit society governed by article 2 of chapter 432,
11 or a health maintenance organization governed by chapter 432D,
12 and their respective agents and employees engaged in the
13 business of the licensee.

14 "Person" means any individual, company, association,
15 organization, group, partnership, business, trust, or
16 corporation; but shall exclude:

17 (1) Insurers, as defined in section 431:1-202, and other
18 licensees, as defined in this part; and

19 (2) Licensed attorneys acting in their capacity as
20 attorneys for a claimant other than the licensed
21 attorney.



1 **§431:2-B Insurance fraud investigations branch.** (a)

2 There is established in the insurance division the insurance
3 fraud investigations branch for the purposes set forth in this
4 part.

5 (b) The branch shall:

6 (1) Conduct a statewide program for the prevention of
7 insurance fraud under title 24, including chapters
8 431, 432, and 432D; provided that the branch shall not
9 have jurisdiction over workers' compensation under
10 chapter 386;

11 (2) Notwithstanding any other law to the contrary,
12 investigate and prosecute in administrative hearings
13 and courts of competent jurisdiction all persons
14 involved in insurance fraud violations; and

15 (3) Promote public and industry-wide education about
16 insurance fraud.

17 (c) The branch may review and take appropriate action on
18 complaints relating to insurance fraud.

19 (d) The commissioner shall employ or retain, by contract
20 or otherwise, attorneys, investigators, investigator assistants,
21 auditors, accountants, physicians, health care professionals,
22 paralegals, consultants, experts, and other professional,



1 technical, and support staff as necessary to promote the
2 effective and efficient conduct of the branch's activities. The
3 commissioner may hire these employees without regard to chapters
4 76 or 89.

5 (e) Notwithstanding any other law to the contrary, an
6 attorney employed or retained by the branch may represent the
7 State in any criminal, civil, or administrative proceeding to
8 enforce all applicable state laws relating to insurance fraud,
9 including criminal prosecutions, disciplinary actions, and
10 actions for declaratory and injunctive relief. The attorney
11 general may designate an attorney as a special deputy attorney
12 general for purposes of this subsection.

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

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

18 **§431:2-C Insurance fraud.** (a) A person commits the
19 offense of insurance fraud if the person:

20 (1) Intentionally or knowingly misrepresents or conceals
21 material facts, opinions, intention, or law to obtain



1 or attempt to obtain coverage, benefits, recovery, or
2 compensation:

3 (A) When presenting, or causing or permitting to be
4 presented, an application, whether written,
5 typed, or transmitted through electronic media,
6 for the issuance or renewal of an insurance
7 policy or reinsurance contract;

8 (B) When presenting, or causing or permitting to be
9 presented, false information on a claim for
10 payment;

11 (C) When presenting, or causing or permitting to be
12 presented, a claim for the payment of a loss;

13 (D) When presenting, or causing or permitting to be
14 presented, multiple claims for the same loss or
15 injury, including knowingly presenting such
16 multiple and duplicative claims to more than one
17 insurer;

18 (E) When presenting, or causing or permitting to be
19 presented, any claim for payment of a health care
20 benefit;

21 (F) When presenting, or causing or permitting to be
22 presented, a claim for a health care benefit that



- 1 was not used by, or provided on behalf of, the
2 claimant;
- 3 (G) When presenting, or causing or permitting to be
4 presented, improper multiple and duplicative
5 claims for payment of the same health care
6 benefit;
- 7 (H) When presenting, or causing or permitting to be
8 presented, for payment any undercharges for
9 benefits on behalf of a specific claimant unless
10 any known overcharges for benefits under this
11 article for that claimant are presented for
12 reconciliation at the same time;
- 13 (I) When fabricating, altering, concealing, making an
14 entry in, or destroying a document whether typed,
15 written, or through an audio or video tape or
16 electronic media;
- 17 (J) When presenting, or causing or permitting to be
18 presented, to a person, insurer, or other
19 licensee false, incomplete, or misleading
20 information to obtain coverage or payment
21 otherwise available under an insurance policy;



1 (K) When presenting, or causing or permitting to be
2 presented, to a person or producer, information
3 about a person's status as a licensee that
4 induces a person or insurer to purchase an
5 insurance policy or reinsurance contract; and

6 (L) When making, or causing or permitting to be made,
7 any statement, either typed, written, or through
8 audio or video tape or electronic media, or
9 claims by the person or on behalf of a person
10 with regard to obtaining legal recovery or
11 benefits;

12 (2) Intentionally or knowingly aids, agrees, or attempts
13 to aid, solicit, or conspire with any person who
14 engages in an unlawful act as defined under this
15 section; or

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

20 (b) Violation of subsection (a) is a criminal offense and
21 shall constitute:



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

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

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

10 (c) This section shall not supersede any other law
11 relating to theft, fraud, or deception. Insurance fraud may be
12 prosecuted under this part, or any other applicable statute or
13 common law, and all such remedies shall be cumulative.

14 **§431:2-D Restitution.** Any person convicted under this
15 part shall be ordered by a court to make restitution to any
16 insurer, person, or licensee for any financial loss sustained by
17 that insurer, person, or licensee that was caused by the act or
18 acts for which the person was convicted.

19 **§431:2-E Insurance fraud; administrative penalties.** (a)
20 In addition to or in lieu of criminal penalties under section
21 431:2-C(b), any person who commits insurance fraud as defined



1 under section 431:2-C, may be subject to the administrative
2 penalties in this section.

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

6 (1) Restitution to any insurer or any other person of
7 benefits or payments fraudulently received or other
8 damages or costs incurred;

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

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

15 (c) Administrative actions brought for insurance fraud
16 under this part shall be brought within six years after the
17 insurance fraud is discovered or by exercise of reasonable
18 diligence should have been discovered and, in any event, no more
19 than ten years after the date on which a violation of this part
20 is committed.



1 **§431:2-F Administrative procedures.** (a) An
2 administrative penalty may be imposed upon a judgment by a court
3 of competent jurisdiction or upon an order by the commissioner.

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

6 **§431:2-G Acceptance of payment.** A provider's failure to
7 dispute a reduced payment by an insurer shall not constitute an
8 implied admission that a fraudulent billing was submitted.

9 **§431:2-H Civil cause of action for insurance fraud;**
10 **exemption.** (a) An insurer or other licensee shall have a civil
11 cause of action to recover payments or benefits from any person
12 who has violated section 431:2-C; provided that no recovery
13 shall be allowed if the person has made restitution pursuant to
14 section 431:2-D or 431:2-E(b)(1).

15 (b) A person, insurer, or other licensee, including an
16 insurer's or other licensee's adjusters, bill reviewers,
17 producers, representatives, or common-law agents shall not be
18 subject to civil liability for providing information, including
19 filing a report, furnishing oral, written, audiotaped,
20 videotaped, or electronic media evidence, providing documents,
21 or giving testimony concerning suspected, anticipated, or
22 completed insurance fraud to:



- 1 (1) A court;
- 2 (2) The commissioner;
- 3 (3) The branch;
- 4 (4) The National Association of Insurance Commissioners;
- 5 (5) The National Insurance Crime Bureau;
- 6 (6) Any federal, state, or county law enforcement or
- 7 regulatory agency; or
- 8 (7) Another insurer or other licensee,

9 if acting without actual malice and if the information is
 10 provided for the purpose of preventing, investigating, or
 11 prosecuting insurance fraud, except if the person commits
 12 perjury.

13 (c) Civil actions for insurance fraud under this part
 14 shall be filed within six years after the insurance fraud is
 15 discovered or should have been discovered by exercise of
 16 reasonable diligence; provided that no civil action shall be
 17 filed more than ten years after the date on which a violation of
 18 this part is committed.

19 **§431:2-I Mandatory reporting.** (a) Within sixty days of
 20 an insurer or other licensee's employee or agent discovering
 21 credible information indicating a violation of section 431:2-C,
 22 or as soon thereafter as practicable, the insurer or licensee



1 shall provide to the branch information, including documents and
2 other evidence, regarding the alleged violation of section
3 431:2-C. The insurance fraud investigations branch shall work
4 with the insurer or licensee to determine what information shall
5 be provided.

6 (b) Information provided pursuant to this section shall be
7 protected from public disclosure to the extent authorized by
8 chapter 92F and section 431:2-209; provided that the branch may
9 release the information in an administrative or judicial
10 proceeding to enforce this part to federal, state, or local law
11 enforcement or regulatory authorities, the National Association
12 of Insurance Commissioners, the National Insurance Crime Bureau,
13 or an insurer or other licensee aggrieved by the alleged
14 violation of section 431:2-C.

15 **§431:2-J Deposit into the compliance resolution fund.** All
16 moneys that have been recovered by the department of commerce
17 and consumer affairs as a result of prosecuting insurance fraud
18 violations pursuant to this part, including civil fines,
19 criminal fines, administrative fines, and settlements, but not
20 including restitution made pursuant to section 431:2-D,
21 431:2-E(b)(1), or 431:2-H, shall be deposited into the



1 compliance resolution fund established pursuant to section
2 26-9(o)."

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

5 "(b) (1) A person who intentionally or knowingly violates,
6 intentionally or knowingly permits any person over
7 whom the person has authority to violate, or
8 intentionally or knowingly aids any person in
9 violating any insurance rule or statute of this State
10 or any effective order issued by the commissioner,
11 shall be subject to any penalty or fine as [~~stated in~~]
12 provided by this code or by the penal code of the
13 Hawaii Revised Statutes.

14 (2) If the commissioner has cause to believe that any
15 person has violated any penal provision of this code
16 or of other laws relating to insurance, the
17 commissioner shall proceed against that person or
18 certify the facts of the violation to the public
19 prosecutor of the jurisdiction in which the offense
20 was committed.

21 (3) Violation of any provision of this code is punishable
22 by a fine of not less than \$100 nor more than \$10,000



1 per violation, or by imprisonment for not more than
2 one year, or both, in addition to any other penalty or
3 forfeiture provided herein or otherwise by law.

4 (4) The terms "intentionally" and "knowingly" shall have
5 the same meanings [~~given~~] as defined in section
6 702-206(1) and (2)."

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

9 "(d) When the commissioner, through the insurance fraud
10 investigations [~~unit,~~] branch, is conducting an investigation of
11 possible violations of [~~section 431:10C-307.7,~~] part _____, the
12 commissioner shall pay to a financial institution that is served
13 a subpoena issued under this section a fee for reimbursement of
14 [~~such~~] the costs [~~as~~] that are necessary and which have been
15 directly incurred in searching for, reproducing, or transporting
16 books, papers, documents, or other objects designated by the
17 subpoena. Reimbursement shall be paid at a rate not to exceed
18 the rate set forth in section 28-2.5(d)."

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



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

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

6 "(1) Notwithstanding section 706-669 and any other law to
7 the contrary, any person convicted of murder in the second
8 degree, any class A felony, any class B felony, or any of the
9 following class C felonies: section 188-23 relating to
10 possession or use of explosives, electrofishing devices, and
11 poisonous substances in state waters; section 386-98(d)(1)
12 relating to fraud violations and penalties; [~~section~~
13 ~~431:10A 131(b)(2) relating to insurance fraud; section 431:10C-~~
14 ~~307.7(b)(2) relating to insurance fraud; section 432:1-106(b)(2)~~
15 ~~relating to insurance fraud; section 432D-18.5(b)(2)] section
16 431:2-C(b)(2) relating to insurance fraud; section 707-703
17 relating to negligent homicide in the second degree; section
18 707-711 relating to assault in the second degree; section
19 707-713 relating to reckless endangering in the first degree;
20 section 707-716 relating to terroristic threatening in the first
21 degree; section 707-721 relating to unlawful imprisonment in the
22 first degree; section 707-732 relating to sexual assault or rape~~



1 in the third degree; section 707-752 relating to promoting child
2 abuse in the third degree; section 707-757 relating to
3 electronic enticement of a child in the second degree; section
4 707-766 relating to extortion in the second degree; section
5 708-811 relating to burglary in the second degree; section
6 708-821 relating to criminal property damage in the second
7 degree; section 708-831 relating to theft in the first degree as
8 amended by Act 68, Session Laws of Hawaii 1981; section 708-831
9 relating to theft in the second degree; section 708-835.5
10 relating to theft of livestock; section 708-836 relating to
11 unauthorized control of propelled vehicle; section 708-839.8
12 relating to identity theft in the third degree; section 708-
13 839.55 relating to unauthorized possession of confidential
14 personal information; section 708-852 relating to forgery in the
15 second degree; section 708-854 relating to criminal possession
16 of a forgery device; section 708-875 relating to trademark
17 counterfeiting; section 710-1071 relating to intimidating a
18 witness; section 711-1103 relating to riot; section 712-1203
19 relating to promoting prostitution in the second degree; section
20 712-1221 relating to gambling in the first degree; section 712-
21 1224 relating to possession of gambling records in the first
22 degree; section 712-1243 relating to promoting a dangerous drug



1 in the third degree; section 712-1247 relating to promoting a
2 detrimental drug in the first degree; section 846E-9 relating to
3 failure to comply with covered offender registration
4 requirements; section 134-7 relating to ownership or possession
5 of firearms or ammunition by persons convicted of certain
6 crimes; section 134-8 relating to ownership, etc., of prohibited
7 weapons; section 134-9 relating to permits to carry, or who is
8 convicted of attempting to commit murder in the second degree,
9 any class A felony, any class B felony, or any of the class C
10 felony offenses enumerated above and who has a prior conviction
11 or prior convictions for the following felonies, including an
12 attempt to commit the same: murder, murder in the first or
13 second degree, a class A felony, a class B felony, any of the
14 class C felony offenses enumerated above, or any felony
15 conviction of another jurisdiction, shall be sentenced to a
16 mandatory minimum period of imprisonment without possibility of
17 parole during such period as follows:

18 (a) One prior felony conviction:

19 (i) Where the instant conviction is for murder in the
20 second degree or attempted murder in the second
21 degree--ten years;



- 1 (ii) Where the instant conviction is for a class A
2 felony--six years, eight months;
- 3 (iii) Where the instant conviction is for a class B
4 felony--three years, four months; and
- 5 (iv) Where the instant conviction is for a class C
6 felony offense enumerated above--one year, eight
7 months;
- 8 (b) Two prior felony convictions:
- 9 (i) Where the instant conviction is for murder in the
10 second degree or attempted murder in the second
11 degree--twenty years;
- 12 (ii) Where the instant conviction is for a class A
13 felony--thirteen years, four months;
- 14 (iii) Where the instant conviction is for a class B
15 felony--six years, eight months; and
- 16 (iv) Where the instant conviction is for a class C
17 felony offense enumerated above--three years,
18 four months;
- 19 (c) Three or more prior felony convictions:
- 20 (i) Where the instant conviction is for murder in the
21 second degree or attempted murder in the second
22 degree--thirty years;



1 (ii) Where the instant conviction is for a class A
2 felony--twenty years;

3 (iii) Where the instant conviction is for a class B
4 felony--ten years; and

5 (iv) Where the instant conviction is for a class C
6 felony offense enumerated above--five years."

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

9 "(2) All fines and other final payments received by a
10 clerk or other officer of a court shall be accounted for, with
11 the names of persons making payment, and the amount and date
12 thereof, being recorded. All such funds shall be deposited with
13 the director of finance to the credit of the general fund of the
14 State. With respect to fines and bail forfeitures [~~which~~] that
15 are proceeds of the wildlife revolving fund under section 183D-
16 10.5, and fines that are proceeds of the compliance resolution
17 fund under sections 26-9(o) and 431:2-J, the director of finance
18 shall transmit the fines and forfeitures to [~~that fund.~~] the
19 respective funds."

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



1 "(a) Criminal charges may be instituted by written
2 information for a felony when the charge is a class C felony
3 under section 19-3.5 (voter fraud); section 128D-10 (knowing
4 releases); section 132D-14(a)(1), (2)(A), and (3) (penalties for
5 failure to comply with requirements of sections 132D-7, 132D-10,
6 and 132D-16); section 134-24 (place to keep unloaded firearms
7 other than pistols and revolvers); section 134-7(a) and (b)
8 (ownership or possession prohibited); section 134-8 (prohibited
9 ownership); section 134-9 (licenses to carry); section 134-17(a)
10 (relating to false information or evidence concerning
11 psychiatric or criminal history); section 134-51 (deadly
12 weapons); section 134-52 (switchblade knives); section 134-53
13 (butterfly knives); section 188-23 (possession or use of
14 explosives, electrofishing devices, and poisonous substances in
15 state waters prohibited); section 231-34 (attempt to evade or
16 defeat tax); section 231-36 (false and fraudulent statements);
17 section 245-37 (sale or purchase of packages of cigarettes
18 without stamps); section 245-38 (vending unstamped cigarettes);
19 section 245-51 (sale of export cigarettes prohibited); section
20 245-52 (alteration of packaging prohibited); section 291C-12.5
21 (accidents involving substantial bodily injury); section
22 291E-61.5 (habitually operating a vehicle under the influence of



1 an intoxicant); section 329-41 (prohibited acts B); section
2 329-42 (prohibited acts C); section 329-43.5 (prohibited acts
3 related to drug paraphernalia); section 329C-2 (manufacture,
4 distribution, or possession with intent to distribute an
5 imitation controlled substance to a person under eighteen years
6 of age); section 346-34(d)(2) and (e) (fraud involving food
7 stamps or coupons with a value exceeding \$300); section 346-43.5
8 (medical assistance fraud); section 383-141 (falsely obtaining
9 benefits); [~~section 431:10C-307.7~~] section 431:2-C(b)(2)
10 (insurance fraud); section 482D-7 (violation of fineness
11 standards and stamping requirements); section 485A-301
12 (registration of securities); section 485A-401 (registration of
13 broker-dealers); section 485A-402 (registration of agents);
14 section 485A-403 (registration of investment advisors); section
15 485A-404 (registration of investment advisor representatives);
16 section 485A-405 (registration of federal covered investment
17 advisors); section 485A-501 (general fraud); section 485A-502
18 (prohibited conduct in providing investment advice); section
19 707-703 (negligent homicide in the second degree); section
20 707-705 (negligent injury in the first degree); section 707-711
21 (assault in the second degree); section 707-713 (reckless
22 endangering in the first degree); section 707-721 (unlawful



1 imprisonment in the first degree); section 707-726 (custodial
2 interference in the first degree); section 707-757 (electronic
3 enticement of a child in the second degree); section 707-766
4 (extortion in the second degree); section 708-811 (burglary in
5 the second degree); section 708-821 (criminal property damage in
6 the second degree); section 708-831 (theft in the second
7 degree); section 708-833.5 (shoplifting); section 708-835.5
8 (theft of livestock); section 708-836 (unauthorized control of
9 propelled vehicle); section 708-836.5 (unauthorized entry into
10 motor vehicle); section 708-839.5 (theft of utility services);
11 section 708-839.8 (identity theft in the third degree); section
12 708-852 (forgery in the second degree); section 708-854
13 (criminal possession of a forgery device); section 708-858
14 (suppressing a testamentary or recordable instrument); section
15 708-875 (trademark counterfeiting); section 708-891.5 (computer
16 fraud in the second degree); section 708-892.5 (computer damage
17 in the second degree); section 708-895.6 (unauthorized computer
18 access in the second degree); section 708-8100 (fraudulent use
19 of a credit card); section 708-8102 (theft/forgery of credit
20 cards); section 708-8103 (credit card fraud by a provider of
21 goods or services); section 708-8104 (possession of unauthorized
22 credit card machinery or incomplete cards); section 708-8200



1 (cable television service fraud in the first degree); section
2 708-8202 (telecommunication service fraud in the first degree);
3 section 709-903.5 (endangering the welfare of a minor in the
4 first degree); section 709-906 (abuse of family or household
5 members); section 710-1016.3 (obtaining a government-issued
6 identification document under false pretenses in the first
7 degree); section 710-1016.6 (impersonating a law enforcement
8 officer in the first degree); section 710-1017.5 (sale or
9 manufacture of deceptive identification document); section 710-
10 1018 (securing the proceeds of an offense); section 710-1021
11 (escape in the second degree); section 710-1023 (promoting
12 prison contraband in the second degree); section 710-1024 (bail
13 jumping in the first degree); section 710-1029 (hindering
14 prosecution in the first degree); section 710-1060 (perjury);
15 section 710-1072.5 (obstruction of justice); section 711-1103
16 (riot); section 711-1109.3 (cruelty to animals/fighting dogs);
17 section 711-1110.9 (violation of privacy in the first degree);
18 section 711-1112 (interference with the operator of a public
19 transit vehicle); section 712-1221 (promoting gambling in the
20 first degree); section 712-1222.5 (promoting gambling aboard
21 ships); section 712-1224 (possession of gambling records in the
22 first degree); section 712-1243 (promoting a dangerous drug in



1 the third degree); section 712-1246 (promoting a harmful drug in
2 the third degree); section 712-1247 (promoting a detrimental
3 drug in the first degree); section 712-1249.6 (promoting a
4 controlled substance in, on, or near schools or school
5 vehicles); section 803-42 (interception, access, and disclosure
6 of wire, oral, or electronic communications, use of pen
7 register, trap and trace device, and mobile tracking device
8 prohibited); or section 846E-9(b) (failure to comply with
9 covered offender registration requirements)."

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

12 [~~§431:10A-131~~] ~~Insurance fraud; penalties.~~ (a) A person
13 ~~commits the offense of insurance fraud if the person acts or~~
14 ~~omits to act with intent to obtain benefits or recovery or~~
15 ~~compensation for services provided, or provides legal assistance~~
16 ~~or counsel with intent to obtain benefits or recovery, through~~
17 ~~the following means:~~

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

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



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



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

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

8 ~~(b) Violation of subsection (a) is a criminal offense and~~
9 ~~shall constitute a:~~

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

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

16 ~~(3) Misdemeanor if the value of the benefits, recovery, or~~
17 ~~compensation obtained or attempted to be obtained is~~
18 ~~\$300 or less.~~

19 ~~(c) Where the ability to make restitution can be~~
20 ~~demonstrated, any person convicted under this section shall be~~
21 ~~ordered by a court to make restitution to an insurer or any~~
22 ~~other person for any financial loss sustained by the insurer or~~



1 ~~other person caused by the act or acts for which the person was~~
2 ~~convicted.~~

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

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

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



1 SECTION 10. Section 431:10C-307.7, Hawaii Revised
2 Statutes, is repealed.

3 [~~"§431:10C-307.7 Insurance fraud, penalties. (a) A~~
4 ~~person commits the offense of insurance fraud if the person acts~~
5 ~~or omits to act with intent to obtain benefits or recovery or~~
6 ~~compensation for services provided, or provides legal assistance~~
7 ~~or counsel with intent to obtain benefits or recovery, through~~
8 ~~the following means:~~

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



1 ~~(6) Knowingly presenting, or causing or permitting to be~~
2 ~~presented, multiple claims for payment of the same~~
3 ~~health care benefit except when these multiple claims~~
4 ~~are appropriate;~~

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

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

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

18 ~~(b) Violation of subsection (a) is a criminal offense and~~
19 ~~shall constitute a:~~

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



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

4 ~~(3) Misdemeanor if the value of the benefits, recovery, or~~
5 ~~compensation obtained or attempted to be obtained is~~
6 ~~\$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~~
10 ~~other person for any financial loss sustained by the insurer or~~
11 ~~other person caused by the act or acts for which the person was~~
12 ~~convicted.~~

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



1 ~~prosecuting insurance fraud, except if the person commits~~
2 ~~perjury.~~

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

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

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



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

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

18 ~~["**§431:10C-307.8 Insurance fraud investigations unit.** (a)~~
19 ~~There is established in the insurance division an insurance~~
20 ~~fraud investigations unit.~~

21 ~~(b) The unit shall employ attorneys, investigators,~~
22 ~~investigator assistants, and other support staff as necessary to~~



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

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

19 SECTION 12. Section 432:1-106, Hawaii Revised Statutes, is
20 repealed.

21 ~~["**[§432:1-106] Insurance fraud, penalties.** (a) A person~~
22 ~~commits the offense of insurance fraud if the person acts or~~



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

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

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

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

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

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

20 ~~(6) Knowingly presenting, or causing or permitting to be~~
21 ~~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,~~
14 ~~any person or persons during an official proceeding as~~
15 ~~defined by section 710-1000.~~

16 ~~(b) 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 ~~or compensation obtained or attempted to be obtained~~
20 ~~is more than \$20,000;~~

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

4 ~~(3) Misdemeanor if the value of the benefits, recovery, or~~
5 ~~compensation obtained or attempted to be obtained is~~
6 ~~\$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~~
10 ~~other person for any financial loss sustained by the insurer or~~
11 ~~other person caused by the act or acts for which the person was~~
12 ~~convicted.~~

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



1 ~~purpose of preventing, investigating, or prosecuting insurance~~
2 ~~fraud, except if the person commits perjury.~~

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

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

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

14 [~~["§432D-18.5] Insurance fraud, penalties.~~ (a) A person
15 ~~commits the offense of insurance fraud if the person acts or~~
16 ~~omits to act with intent to obtain benefits or recovery or~~
17 ~~compensation for services provided, or provides legal assistance~~
18 ~~or counsel with intent to obtain benefits or recovery, through~~
19 ~~the following means:~~

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



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



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

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

8 ~~(b) Violation of subsection (a) is a criminal offense and~~
9 ~~shall constitute a:~~

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

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

16 ~~(3) Misdemeanor if the value of the benefits, recovery, or~~
17 ~~compensation obtained or attempted to be obtained is~~
18 ~~\$300 or less.~~

19 ~~(c) Where the ability to make restitution can be~~
20 ~~demonstrated, any person convicted under this section shall be~~
21 ~~ordered by a court to make restitution to an insurer or any~~
22 ~~other person for any financial loss sustained by the insurer or~~



1 ~~other person caused by the act or acts for which the person was~~
2 ~~convicted.~~

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

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

18 ~~(f) An insurer shall have a civil cause of action to~~
19 ~~recover payments or benefits from any person who has~~
20 ~~intentionally obtained payments or benefits in violation of this~~
21 ~~section; provided that no recovery shall be allowed if the~~
22 ~~person has made restitution under subsection (e)."]~~



1 SECTION 14. All rights, powers, functions, and duties of
2 the insurance fraud investigations unit are transferred to the
3 insurance fraud investigations branch.

4 All officers and employees whose functions are transferred
5 by this Act shall be transferred with their functions and shall
6 continue to perform their regular duties upon their transfer,
7 subject to the state personnel laws and this Act.

8 Any employee who, prior to the effective date of this Act,
9 was exempt from civil service and who may be transferred as a
10 consequence of this Act, may continue to retain the employee's
11 exempt status, but shall not be appointed to a civil service
12 position because of this Act. No employee who is transferred as
13 a result of this Act shall suffer any loss of prior service
14 credit, any vacation and sick leave credits previously earned,
15 or other employee benefits or privileges as a consequence of
16 this Act. The director of commerce and consumer affairs shall
17 prescribe the duties and qualifications of such employees and
18 fix their salaries without regard to chapter 76, Hawaii Revised
19 Statutes.

20 SECTION 15. All appropriations, records, equipment,
21 machines, files, supplies, contracts, books, papers, documents,
22 maps, and other personal property heretofore made, used,



1 acquired, or held by the insurance fraud investigations unit
2 relating to the functions transferred to the insurance fraud
3 investigations branch shall be transferred with the functions to
4 which they relate.

5 SECTION 16. All rules, policies, procedures, guidelines,
6 and other material adopted or developed by the department of
7 commerce and consumer affairs to implement provisions of the
8 Hawaii Revised Statutes which are reenacted or made applicable
9 to the department of commerce and consumer affairs by this Act,
10 shall remain in full force and effect until amended or repealed
11 by the department of commerce and consumer affairs pursuant to
12 chapter 91, Hawaii Revised Statutes. In the interim, every
13 reference to the insurance fraud investigations unit or director
14 of commerce and consumer affairs in those rules, policies,
15 procedures, guidelines, and other material is amended to refer
16 to the insurance fraud investigations branch or director of
17 commerce and consumer affairs as appropriate.

18 SECTION 17. This Act does not affect rights and duties
19 that matured, penalties that were incurred, and proceedings that
20 were begun, before its effective date.

21 SECTION 18. In codifying the new sections added by section
22 2 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 19. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 20. This Act shall take effect on July 1, 2009.



H.B. NO. 262
H.D. 2
S.D. 2
C.D. 1

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. (HB262 CD1)

