

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2178

Session of
1988

INTRODUCED BY HAYDEN, BLAUM, GODSHALL, TRELLO, OLASZ, BORTNER,
WOZNIAK, JAROLIN, COY, LINTON, COLAFELLA, CAWLEY, HERSHEY,
VAN HORNE, KENNEY, DONATUCCI, LUCYK, KOSINSKI, SEVENTY, BURD,
FOX, MURPHY, LaGROTTA, BRANDT, FARGO, MILLER, TIGUE, STUBAN,
WOGAN, BLACK, VEON AND STEIGHNER, FEBRUARY 3, 1988

AS REPORTED FROM COMMITTEE ON JUDICIARY, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 15, 1988

AN ACT

1 Amending Title 18 (Crimes and Offenses) of the Pennsylvania
2 Consolidated Statutes, providing for the offense of insurance
3 fraud; AND MAKING REPEALS. <—

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 18 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 4117. Insurance fraud.

9 (a) Offense defined.--A person commits an offense if he:

10 (1) knowingly and with the intent to defraud any entity
11 presents or causes to be presented to any entity any
12 statement forming a part of, or in support of, an insurance
13 application or an insurance claim that contains any false,
14 incomplete or misleading information concerning any fact or
15 thing material to the insurance application or insurance
16 claim;

1 (2) knowingly and with the intent to defraud any entity
2 assists, abets, solicits or conspires with another to prepare
3 or make any statement that is intended to be presented to any
4 entity in connection with, or in support of, any insurance
5 application or insurance claim that contains any false,
6 incomplete or misleading information concerning any fact or
7 thing material to the insurance claim; or

8 (3) engages in unlicensed agent or broker activity as
9 defined by the act of May 17, 1921 (P.L.789, No.285), known
10 as The Insurance Department Act of one thousand nine hundred
11 and twenty-one, knowingly and with the intent to defraud any
12 entity or the public.

13 (b) Grading.--An offense under this section is a felony of
14 the third degree.

15 (c) Restitution.--The court shall, in addition to any other
16 sentence authorized by law, sentence a person or entity
17 convicted of violating this section to make restitution under
18 section 1106 (relating to restitution for injuries to person or
19 property).

20 (d) Definitions.--As used in this section, the following
21 words and phrases shall have the meanings given to them in this
22 subsection:

23 "Entity." Any individual, corporation, association,
24 partnership, reciprocal exchange, inter-insurer, Lloyd's
25 insurer, fraternal benefit society, beneficial association and
26 any other legal entity engaged in the business of insurance,
27 including agents, brokers and adjusters and also means health
28 care plans as defined in 40 Pa.C.S. Chs. 61 (relating to
29 hospital plan corporations), 63 (relating to professional health
30 services plan corporations), 65 (relating to fraternal benefit

1 societies) and 67 (relating to beneficial societies) and the act
2 of December 29, 1972 (P.L.1701, No.364), known as the Health
3 Maintenance Organization Act. For purposes of this section,
4 health care plans, fraternal benefit societies and beneficial
5 societies shall be deemed to be engaged in the business of
6 insurance.

7 "Insurance application." A document submitted by a
8 prospective insured which requests insurance coverage and which
9 provides information requested by an insurer to evaluate the
10 risk.

11 "Insurance claim." A claim for payment or other benefit
12 pursuant to an insurance policy.

13 "Insurance policy." A document setting forth the terms and
14 conditions of a contract of insurance.

15 "Statement." Any oral or written presentation or other
16 evidence of loss, injury or expense, including, but not limited
17 to, any notice, statement, proof of loss, bill of lading,
18 receipt for payment, invoice, account, estimate of property
19 damages, bill for services, diagnosis, prescription, hospital or
20 doctor records, X-ray, test result or computer-generated
21 documents.

22 SECTION 2. (A) THE FOLLOWING ACTS AND PARTS OF ACTS ARE
23 REPEALED: <—

24 SECTION 349 OF THE ACT OF MAY 17, 1921 (P.L.682, NO.284),
25 KNOWN AS THE INSURANCE COMPANY LAW OF 1921.

26 (B) THE FOLLOWING ACTS AND PARTS OF ACTS ARE REPEALED
27 INSOFAR AS THEY ARE INCONSISTENT WITH THIS ACT:

28 SECTIONS 604 AND 623 OF THE ACT OF MAY 17, 1921 (P.L.789,
29 NO.285), KNOWN AS THE INSURANCE DEPARTMENT ACT OF ONE THOUSAND
30 NINE HUNDRED AND TWENTY-ONE.

1 Section ~~2~~ 3. This act shall take effect in 60 days.

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