

COMMITTEE OF CONFERENCE SUBSTITUTE TO HB 598

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 33-1-9 of the Official Code of Georgia Annotated, relating to
2 insurance fraud, so as to provide that persons who, as an agent or representative, solicit,
3 negotiate, procure, or effectuate insurance coverage on behalf of an insurer who is not
4 authorized to do business in this state or take certain actions with regard to such insurance
5 commit insurance fraud; to provide that any person who with intent to defraud subscribes,
6 makes, or concurs in making an annual or other statement required by law to be filed with
7 the commissioner containing a false material statement commits insurance fraud; to provide
8 for applicability; to provide for related matters; to provide an effective date; to repeal
9 conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

11 Code Section 33-1-9 of the Official Code of Georgia Annotated, relating to insurance fraud,
12 is amended by striking the Code section and inserting in lieu thereof a new Code Section
13 33-1-9 to read as follows:
14

15 "33-1-9.

16 (a) Any natural person who knowingly or willfully:

17 (1) Makes or aids in the making of any false or fraudulent statement or representation of
18 any material fact or thing:

19 (A) In any written statement or certificate;

20 (B) In the filing of a claim;

21 (C) In the making of an application for a policy of insurance;

22 (D) In the receiving of such an application for a policy of insurance; or

23 (E) In the receiving of money for such application for a policy of insurance

24 for the purpose of procuring or attempting to procure the payment of any false or
25 fraudulent claim or other benefit by an insurer;

- 1 (2) Receives money for the purpose of purchasing insurance and converts such money
- 2 to such person's own benefit;
- 3 (3) Issues fake or counterfeit insurance policies, certificates of insurance, insurance
- 4 identification cards, or insurance binders; or
- 5 (4) Makes any false or fraudulent representation as to the death or disability of a policy
- 6 or certificate holder in any written statement or certificate for the purpose of fraudulently
- 7 obtaining money or benefit from an insurer commits the crime of insurance fraud.

8 (b) Any natural person who knowingly and willfully or with reckless disregard engages
 9 in the following activities, either directly or indirectly, as an agent for, as a representative
 10 of, or on behalf of an insurer not authorized to transact insurance in this state commits the
 11 crime of insurance fraud:

- 12 (1) Soliciting, negotiating, procuring, or effectuating insurance or annuity contracts or
- 13 renewals thereof;
- 14 (2) Soliciting, negotiating, procuring, or effectuating any contract relating to benefits or
- 15 services;
- 16 (3) Disseminating information as to coverage or rates;
- 17 (4) Forwarding applications;
- 18 (5) Delivering policies or contracts;
- 19 (6) Inspecting or assessing risk;
- 20 (7) Fixing of rates;
- 21 (8) Investigating or adjusting claims or losses;
- 22 (9) Collecting or forwarding of premiums; or
- 23 (10) In any other manner representing or assisting such an insurer in the transaction of
- 24 insurance with respect to subjects of insurance resident, located, or to be performed in
- 25 this state.

26 (c) Any natural person who knowingly and willfully with intent to defraud subscribes,
 27 makes, or concurs in making any annual or other statement required by law to be filed with
 28 the commissioner containing any material statement which is false commits the crime of
 29 insurance fraud.

30 ~~(b)~~(d) In any prosecution under this Code section, the crime shall be considered as having
 31 been committed in the county of the purported loss, in the county in which the insurer or
 32 the insurer's agent received the fraudulent or false claim or application, in the county in
 33 which money was received for the fraudulent application, or in any county where any act
 34 in furtherance of the criminal scheme was committed.

35 ~~(c)~~(e) A person convicted of a violation of subsection (a) of this Code section shall be
 36 guilty of a felony and shall be punished by imprisonment for not less than two nor more
 37 than ten years, or by a fine of not more than \$10,000.00, or both.

1 (f) Subsection (b) of this Code section shall not apply to a contract of insurance entered
2 into in accordance with Article 2 of Chapter 5 of this title."

3 **SECTION 2.**

4 This Act shall become effective upon its approval by the Governor or upon its becoming law
5 without such approval.

6 **SECTION 3.**

7 All laws and parts of laws in conflict with this Act are repealed.