



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4682 (Substitute H-2 as reported by the Committee of the Whole)
Sponsor: Representative Eric Bush
House Committee: Insurance
Senate Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to add Chapter 45, dealing with insurance fraud. The bill would do all of the following:

- Specify acts or omissions that would constitute a fraudulent insurance act.
- Authorize certain actions regarding the release of information in the conduct of an investigation into insurance fraud.
- Grant protection from liability for certain actions relating to insurance fraud investigations.

Committing a fraudulent insurance act would be a felony punishable by up to four years' imprisonment, a maximum fine of \$50,000, or both. Entering into an agreement or conspiracy to commit a fraudulent insurance act would be a felony punishable by up to 10 years' imprisonment, a maximum fine of \$50,000, or both.

The bill would apply to an insurance policy, health maintenance organization contract, nonprofit dental care corporation certificate, or health care corporation certificate.

Proposed MCL 500.4501-500.4511

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would place no new regulatory requirements or otherwise affect the regulatory workload of the Insurance Bureau, Department of Commerce.

The new penalties in the bill are not expected to increase costs for State or local criminal justice agencies as there currently exist a number of laws regarding fraud and submitting false claims for insurance that could be used to prosecute violators, and that have similar penalties.

Date Completed: 12-6-95

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