

HCS HB 866 -- INSURANCE FRAUD

SPONSOR: Yates (Wilson, 130)

COMMITTEE ACTION: Voted "do pass" by the Committee on Insurance Policy by a vote of 13 to 0.

This substitute specifies that it is illegal for any person to employ a fraudulent scheme or make a false statement or concealment of a material fact relating to an insurance transaction. The person can be fined not more than \$100,000, be imprisoned for not more than 10 years, or both. A court may also order that restitution be paid to the victim and the Department of Insurance revoke the offender's insurance license.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill provides for stronger penalties for those who commit insurance fraud. People must feel that they can trust their insurance companies, and the bill will help to make that happen.

Testifying for the bill were Representative Wilson (130); Department of Insurance; Missouri Insurance Coalition; and American Family Insurance.

OPPOSERS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst