

WHEREAS, The Governor's Commission on Insurance has recommended and the General Assembly agrees that, in order to reduce insurance fraud in the State of Maryland, in those instances where insurers, their employees, producers, and agents have probable cause to believe that insurance fraud has been committed, the insurers, their employees, producers, and agents should be required to report the insurance fraud to the appropriate law enforcement agencies; and

WHEREAS, Persons providing information concerning insurance fraud to law enforcement officials in compliance with the requirements of this Act should be entitled in any civil action to any immunities from liability currently existing in law; and

WHEREAS, The General Assembly finds that it is unnecessary to provide any additional immunity in this Act, as it is not the intent of the General Assembly to alter the law as it exists with respect to either liability or immunity in any civil actions that may be brought against any person or entity for the making of a report as required under this Act; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A – Insurance Code

25.

(1) (A) The Commissioner may institute such suits or other legal proceedings as may be required for the enforcement of any provisions of this article. If the Commissioner has reason to believe that any person has violated any provision of this article for which criminal prosecution is provided, he shall so inform the State's Attorney of the county or of Baltimore City either where the person resides or the violation occurred. If there is a violation of any provision of this article which is statewide in nature and which has no local situs within the State the violation shall be referred to the Attorney General for prosecution.

(B) THE COMMISSIONER MAY INVESTIGATE ANY COMPLAINT ALLEGING THAT A FRAUDULENT CLAIM HAS BEEN SUBMITTED TO AN INSURER. IF THE COMMISSIONER DETERMINES THAT A COMPLAINT HAS MERIT, THE COMMISSIONER MAY REFER THE COMPLAINT TO AN APPROPRIATE LAW ENFORCEMENT AUTHORITY, INCLUDING THE ATTORNEY GENERAL, FOR APPROPRIATE ACTION.

233B.

(A) (1) AN AUTHORIZED INSURER, ITS EMPLOYEES, PRODUCERS, AS THAT TERM IS DEFINED IN § 243L OF THIS ARTICLE, OR AGENTS, WHO HAVE ~~REASON~~ PROBABLE CAUSE TO BELIEVE THAT INSURANCE FRAUD, INCLUDING VIOLATIONS OF §§ 233 AND 233A OF THIS SUBTITLE, ~~HAVE BEEN OR ARE~~ HAS BEEN OR IS BEING COMMITTED, SHALL REPORT THE SUSPECTED INSURANCE FRAUD IN WRITING TO THE APPROPRIATE FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AUTHORITIES.