

CHAPTER 48
(CORRECTED COPY)

AN ACT concerning insurance fraud and amending P.L.2003, c.89 and P.L.1983, c.320.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 73 of P.L.2003, c.89 (C.2C:21-4.6) is amended to read as follows:

C.2C:21-4.6 Crime of insurance fraud.

73. a. A person is guilty of the crime of insurance fraud if that person knowingly makes, or causes to be made, a false, fictitious, fraudulent, or misleading statement of material fact in, or omits a material fact from, or causes a material fact to be omitted from, any record, bill, claim or other document, in writing, electronically, orally or in any other form, that a person attempts to submit, submits, causes to be submitted, or attempts to cause to be submitted as part of, in support of or opposition to or in connection with: (1) a claim for payment, reimbursement or other benefit pursuant to an insurance policy, or from an insurance company or the "Unsatisfied Claim and Judgment Fund Law," P.L.1952, c.174 (C.39:6-61 et seq.); (2) an application to obtain or renew an insurance policy; (3) any payment made or to be made in accordance with the terms of an insurance policy or premium finance transaction; or (4) an affidavit, certification, record or other document used in any insurance or premium finance transaction.

b. A person who operates a motor vehicle on the public highways of this State, which motor vehicle is insured by a policy issued under the laws of another state, is guilty of the crime of insurance fraud if that person maintains a principal residence in this State or has his motor vehicle principally garaged in this State and he has knowingly prepared or made any written, electronic or oral statement, presented to any insurance company or producer licensed to transact the business of insurance under the laws of that other state, and which resulted in obtaining a motor vehicle insurance policy for his motor vehicle in that other state, that the person to be insured: (1) maintains a principal residence in the other state when, in fact, that person's principal residence is in this State; or (2) has his motor vehicle principally garaged in the other state, when, in fact, that person has his motor vehicle principally garaged in this State. This subsection shall not apply to a person who insures a vehicle in another state, as permitted by and in accordance with the laws of that state, based on a second residence, or attendance at an educational institution, in that other state, if in obtaining the policy the person truthfully discloses to the insurance company or producer the state of the person's principal residence and the state where the vehicle is principally garaged.

c. Insurance fraud constitutes a crime of the second degree if the person knowingly commits five or more acts of insurance fraud, including acts of health care claims fraud pursuant to section 2 of P.L.1997, c.353 (C.2C:21-4.2) and if the aggregate value of property, services or other benefit wrongfully obtained or sought to be obtained is at least \$1,000. Otherwise, insurance fraud in violation of subsection a. of this section is a crime of the third degree and insurance fraud in violation of subsection b. of this section is a crime of the fourth degree. Each act of insurance fraud shall constitute an additional, separate and distinct offense, except that five or more separate acts may be aggregated for the purpose of establishing liability pursuant to this subsection. Multiple acts of insurance fraud which are contained in a single record, bill, claim, application, payment, affidavit, certification or other document shall each constitute an additional, separate and distinct offense for purposes of this section.

d. Proof that a person has signed or initialed an application, bill, claim, affidavit, certification, record or other document may give rise to an inference that the person has read and reviewed the application, bill, claim, affidavit, certification, record or other document.

e. In order to promote the uniform enforcement of this act, the Attorney General shall develop insurance fraud prosecution guidelines and disseminate them to county prosecutors within 180 days of the effective date of this act.

f. Nothing in this act shall preclude an indictment and conviction for any other offense defined by the laws of this State.

g. Nothing in this act shall preclude an assignment judge from dismissing a prosecution of insurance fraud if the assignment judge determines, pursuant to N.J.S.2C:2-11, the conduct charged to be a de minimis infraction.

2. Section 4 of P.L.1983, c.320 (C.17:33A-4) is amended to read as follows:

C.17:33A-4 Violations.

4. a. A person or a practitioner violates this act if he:

(1) Presents or causes to be presented any written or oral statement as part of, or in support of or opposition to, a claim for payment or other benefit pursuant to an insurance policy or the "Unsatisfied Claim and Judgment Fund Law," P.L.1952, c.174 (C.39:6-61 et seq.), knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim; or

(2) Prepares or makes any written or oral statement that is intended to be presented to any insurance company, the Unsatisfied Claim and Judgment Fund or any claimant thereof in connection with, or in support of or opposition to any claim for payment or other benefit pursuant to an insurance policy or the "Unsatisfied Claim and Judgment Fund Law," P.L.1952, c.174 (C.39:6-61 et seq.), knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim; or

(3) Conceals or knowingly fails to disclose the occurrence of an event which affects any person's initial or continued right or entitlement to (a) any insurance benefit or payment or (b) the amount of any benefit or payment to which the person is entitled;

(4) Prepares or makes any written or oral statement, intended to be presented to any insurance company or producer for the purpose of obtaining:

(a) a motor vehicle insurance policy, that the person to be insured maintains a principal residence in this State when, in fact, that person's principal residence is in a state other than this State; or

(b) an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to an insurance application or contract; or

(5) Conceals or knowingly fails to disclose any evidence, written or oral, which may be relevant to a finding that a violation of the provisions of paragraph (4) of this subsection a. has or has not occurred.

b. A person or practitioner violates this act if he knowingly assists, conspires with, or urges any person or practitioner to violate any of the provisions of this act.

c. A person or practitioner violates this act if, due to the assistance, conspiracy or urging of any person or practitioner, he knowingly benefits, directly or indirectly, from the proceeds derived from a violation of this act.

d. A person or practitioner who is the owner, administrator or employee of any hospital violates this act if he knowingly allows the use of the facilities of the hospital by any person in furtherance of a scheme or conspiracy to violate any of the provisions of this act.

e. A person or practitioner violates this act if, for pecuniary gain, for himself or another, he directly or indirectly solicits any person or practitioner to engage, employ or retain either himself or any other person to manage, adjust or prosecute any claim or cause of action, against any person, for damages for negligence, or, for pecuniary gain, for himself or another, directly or indirectly solicits other persons to bring causes of action to recover damages for personal injuries or death, or for pecuniary gain, for himself or another, directly or indirectly solicits other persons to make a claim for personal injury protection benefits pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.); provided, however, that this subsection shall not apply to any conduct otherwise permitted by law or by rule of the Supreme Court.

f. A person who operates a motor vehicle on the public highways of this State, which motor vehicle is insured by a policy issued under the laws of another state, and who maintains a principal residence in this State or who has his motor vehicle principally garaged in this State violates the provisions of P.L.1983, c.320 (C.17:33A-1 et seq.) if he has knowingly prepared or made any written or oral statement, presented to any insurance company or producer licensed to transact the business of insurance under the laws of that other state, and which resulted in obtaining a motor vehicle insurance policy for his motor vehicle in that other state, that the person to be insured:

(1) Maintains a principal residence in the other state when, in fact, that person's principal residence is in this State; or

(2) Has his vehicle principally garaged in the other state, when, in fact, that person has his motor vehicle principally garaged in this State.

This subsection shall not apply to a person who insures a vehicle in another state, as permitted by and in accordance with the laws of that state, based on a second residence, or attendance at an educational institution, in that other state, if in obtaining the policy the person truthfully discloses to the insurance company or producer the state of the person's principal residence and the state where the vehicle is principally garaged.

3. This act shall take effect immediately.

Approved May 7, 2015.