

Senate Bill No. 85—Committee on
Commerce, Labor and Energy

CHAPTER.....

AN ACT relating to insurance fraud; revising the definition of “insurance fraud” to include fraudulent acts or omissions related to certain policies issued outside this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, the term “insurance fraud” is broadly defined to include a wide range of activities relating to policies of insurance, including, without limitation, a knowing and willful presentation of false or misleading information material on an application for, or a claim under, a policy of insurance issued pursuant to title 57 of NRS. (NRS 686A.2815) The Attorney General has primary jurisdiction to conduct criminal investigations into and may bring a criminal prosecution for any alleged act of insurance fraud, and the Commissioner of Insurance has the authority to investigate violations of title 57 of NRS and to assist the Attorney General or other local, state or federal investigative and law enforcement agencies in investigating an act of insurance fraud, including, if necessary, conducting investigations into such activities occurring outside this State. (NRS 228.412, 679B.650) Under existing law, a person who commits insurance fraud is subject to prosecution for a category D felony and the imposition of court costs and the cost of any investigation and prosecution of the insurance fraud for which the person is convicted or to which he or she pleads guilty, guilty but mentally ill or nolo contendere. (NRS 686A.291, 686A.292) A person who commits insurance fraud is also subject to prosecution for committing a crime related to racketeering. (NRS 207.360, 207.400) This bill revises the definition of “insurance fraud” to include: (1) policies of insurance issued pursuant to title 57 of NRS by an authorized insurer; and (2) policies of insurance issued outside this State by an authorized insurer which relate to property that is located in this State at the time of the alleged fraudulent act or omission or the incident giving rise to the alleged fraudulent act or omission.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 686A.2815 is hereby amended to read as follows:

686A.2815 ***1.*** “Insurance fraud” means knowingly and willfully:

~~1.~~ ***(a)*** Presenting or causing to be presented any statement to an insurer, a reinsurer, a producer, a broker or any agent thereof, if the person who presents or causes the presentation of the statement knows that the statement conceals or omits facts, or contains false or misleading information concerning any fact material to an



application for the issuance of a policy of insurance . ~~{pursuant to this title.}~~

~~{2.}~~ (b) Presenting or causing to be presented any statement as a part of, or in support of, a claim for payment or other benefits under a policy of insurance , ~~{issued pursuant to this title.}~~ if the person who presents or causes the presentation of the statement knows that the statement conceals or omits facts, or contains false or misleading information concerning any fact material to that claim.

~~{3.}~~ (c) Assisting, abetting, soliciting or conspiring with another person to present or cause to be presented any statement to an insurer, a reinsurer, a producer, a broker or any agent thereof, if the person who assists, abets, solicits or conspires knows that the statement conceals or omits facts, or contains false or misleading information concerning any fact material to an application for the issuance of a policy of insurance ~~{pursuant to this title}~~ or a claim for payment or other benefits under such a policy.

~~{4.}~~ (d) Acting or failing to act with the intent of defrauding or deceiving an insurer, a reinsurer, a producer, a broker or any agent thereof, to obtain a policy of insurance ~~{pursuant to this title}~~ or any proceeds or other benefits under such a policy.

~~{5.}~~ (e) As a practitioner, an insurer or any agent thereof, acting to assist, conspire with or urge another person to commit any act or omission specified in this section through deceit, misrepresentation or other fraudulent means.

~~{6.}~~ (f) Accepting any proceeds or other benefits under a policy of insurance , ~~{issued pursuant to this title.}~~ if the person who accepts the proceeds or other benefits knows that the proceeds or other benefits are derived from any act or omission specified in this section.

~~{7.}~~ (g) Employing a person to procure clients, patients or other persons who obtain services or benefits under a policy of insurance ~~{issued pursuant to this title}~~ for the purpose of engaging in any act or omission specified in this section, except that such insurance fraud does not include contact or communication by an insurer or an agent or representative of the insurer with a client, patient or other person if the contact or communication is made for a lawful purpose, including, without limitation, communication by an insurer with a holder of a policy of insurance issued by the insurer or with a claimant concerning the settlement of any claims against the policy.

~~{8.}~~ (h) Participating in, aiding, abetting, conspiring to commit, soliciting another person to commit, or permitting an employee or agent to commit any act or omission specified in this section.

2. As used in this section, "policy of insurance" means:



*(a) Any policy issued in this State by an authorized insurer;
and*

(b) Any policy issued outside this State by an authorized insurer which relates to property that:

(1) Is located in this State when any act or omission specified in this section occurs; or

(2) Was located in this State when the incident that gave rise to the act or omission specified in this section occurred.

Sec. 2. This act becomes effective on July 1, 2015.

