

LD0935828

## SENATE BILL NO. 531

Senate Amendments in [ ] — February 15, 1994

A BILL to amend and reenact § 18.2-213.23 of the Code of Virginia, relating to fraud by insurers; penalty.

Patrons—Holland, C.A., Holland, E.M., Lambert, Schewel, Stolle, Walker and Woods; Delegates: Ball, Brickley, Connally, DeBoer, Forbes, Heilig, Melvin and Morgan

Referred to the Committee for Courts of Justice

**Be it enacted by the General Assembly of Virginia:****1. That § 18.2-213.23 of the Code of Virginia is amended and reenacted as follows:****§ 18.2-213.23. Health care fraud by insurer.**

No person, insurer, insurance company, or health services plan as defined in § 38.2-100 shall [ ~~knowingly and willfully~~ with the intent to defraud ] make or cause to be made any false statement or representation of a material fact in any communication or explanation of benefits or payments due an insured pursuant to an insurance policy as described in § 38.2-3400.

Any person, insurer, insurance company or health services plan that violates this section shall be guilty of a Class 1 misdemeanor. However, if the person, insurer, insurance company or health services plan violates this section [ ~~with such frequency as to indicate~~ through ] a fraudulent scheme or business practice, it shall be guilty of a Class 5 felony. In addition to the penalty provided herein, the court may [ ~~(i) order restitution to the insured or insureds in an amount equal to the benefits and payments wrongfully withheld plus reasonable attorney's fees, investigative costs and interest from the date of the order at the rate of interest set forth in § 6.1-330.54 and (ii)~~ ] fashion an appropriate equitable remedy for all parties adversely affected by a violation of this section.

ENGROSSED

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