

HB140 ENROLLED



1 HB140
2 GXPVC66-2
3 By Representative Ellis
4 RFD: Insurance
5 First Read: 07-Feb-24



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1 Enrolled, An Act,

2 Relating to insurance fraud and the Department of
3 Insurance; to amend Section 27-12A-6 and Section 27-12A-40 of
4 the Code of Alabama 1975, to increase the statute of
5 limitations for prosecutions of insurance fraud after an
6 alleged violation is detected and to further specify that
7 investigators of the department would have the powers vested
8 in law enforcement officers, including the power of arrest and
9 service of process, for any violations of state law discovered
10 during the course of an investigation.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 27-12A-6 and Section 27-12A-40 of
13 the Code of Alabama 1975, are amended to read as follows:

14 "§27-12A-6

15 (a) No prosecution may be commenced under this article
16 more than ~~two~~ seven years after the alleged violation was
17 detected.

18 (b) An individual who has been convicted of insurance
19 fraud in the first degree or insurance fraud in the second
20 degree shall be disqualified from engaging in the business of
21 insurance in this state.

22 (c) A person may not willfully permit another person
23 who has been convicted of insurance fraud in the first degree
24 or insurance fraud in the second degree to transact in the
25 business of insurance in this state.

26 (d) For the purposes of Article 4A of Chapter 18 of
27 Title 15, insurance fraud shall be considered criminal
28 activity."



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29 "§27-12A-40

30 (a) There is ~~hereby~~ established within the department
31 the Insurance Fraud Unit. The commissioner shall appoint the
32 necessary full-time supervisory and investigative personnel of
33 the unit who shall be qualified by training and experience to
34 perform the duties of their positions. The commissioner shall
35 furnish offices, equipment, operating expenses, and necessary
36 personnel to maintain and operate the unit.

37 (b) The unit shall perform all of the following duties:

38 (1) Initiate independent inquiries and conduct
39 independent investigations when the unit has cause to believe
40 that any insurance fraud may be, is being, or has been,
41 committed.

42 (2) Review reports or complaints of alleged insurance
43 fraud from federal, state, and local law enforcement and
44 regulatory agencies, persons engaged in the business of
45 insurance, and the public to determine whether the reports or
46 complaints require further investigation and, if so, to
47 conduct these investigations.

48 (3) Conduct independent examinations of alleged
49 insurance fraud and undertake independent studies to determine
50 the extent of insurance fraud.

51 (c) In performing its duties, the unit ~~shall have the~~
52 ~~powers to~~ may do all of the following:

53 (1) Inspect, copy, or collect records and evidence.

54 (2) Issue and serve subpoenas.

55 (3) Administer oaths and affirmations.

56 (4) Share records and evidence with federal, state, or



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57 local law enforcement and regulatory agencies.

58 (5) Execute arrest warrants for criminal violations of
59 this chapter or other state laws.

60 (6) Arrest upon probable cause without warrant a person
61 found in the act of violating or attempting to violate this
62 chapter or other state laws.

63 (7) Make criminal referrals to the Attorney General.

64 (8) Conduct investigations outside of this state. If
65 the information the unit seeks to obtain is located outside of
66 this state, the person from whom the information is sought may
67 make the information available to the unit to examine at the
68 place where the information is located. The unit may designate
69 representatives, including officials of the state in which the
70 matter is located, to inspect the information on behalf of the
71 unit, and the unit may respond to similar requests from
72 officials of other states.

73 (d) Investigators of the unit shall have all the powers
74 vested in law enforcement officers of the State of Alabama,
75 including, but not limited to, the powers of arrest and the
76 power to serve process, ~~but only as necessary to enforce this~~
77 ~~chapter, and~~ for any violation of this chapter or any
78 violation of other state laws discovered during the course of
79 an investigation. The investigators shall perform the duties,
80 responsibilities, and functions as may be required for the
81 unit to carry out its duties and responsibilities—pursuant to
82 enforce this chapter. No person shall—An individual may not
83 serve as investigator of the unit who— unless he or she has
84 ~~not~~ met the minimum standards established for law enforcement



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85 officers by the Alabama Peace Officers' Standards and Training
86 Commission, or other standards as may be provided ~~hereafter~~ by
87 law.

88 (e) Information relating to criminal activity
89 discovered in the course of an investigation by the unit shall
90 be provided to the ~~Department of Public Safety~~ Alabama State
91 Law Enforcement Agency."

92 Section 2. This act shall become effective on October
93 1, 2024.

