

INSURANCE FRAUD

507E.1 Title.

This chapter may be cited as the "*Iowa Insurance Fraud Act*".

94 Acts, ch 1072, §1, 9; 95 Acts, ch 185, § 46

507E.2 Purpose.

An insurance fraud bureau is created within the insurance division. Upon a reasonable determination by the division, by its own inquiries or as a result of complaints filed with the division, that a person has engaged in, is engaging in, or may be engaging in an act or practice that violates this chapter or any other provision of the insurance code, the division may administer oaths and affirmations, serve subpoenas ordering the attendance of witnesses, and collect evidence related to such act or practice.

94 Acts, ch 1072, §2

507E.3 Fraudulent submissions penalty.

1. For purposes of this chapter, "*statement*" includes, but is not limited to, any notice, statement, proof of loss, bill of lading, receipt for payment, invoice, account, estimate of property damage, bill for services, diagnosis, prescription, hospital or physician record, X ray, test result, or other evidence of loss, injury, or expense.
2. A person commits a class "D" felony if the person, with the intent to defraud an insurer, does any of the following:
 - a. Presents or causes to be presented to an insurer, any written document or oral statement, including a computer-generated document, as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy, knowing that such document or statement contains any false information concerning a material fact.
 - b. Assists, abets, solicits, or conspires with another to present or cause to be presented to an insurer, any written document or oral statement, including a computer-generated document, that is intended to be presented to any insurer in connection with, or in support of, any claim for payment or other benefit pursuant to an insurance policy, knowing that such document or statement contains any false information concerning a material fact.
 - c. Presents or causes to be presented to an insurer, any written document or oral statement, including a computer-generated document, as part of, or in, an application for insurance coverage, knowing that such document or statement contains false information concerning a material fact.

94 Acts, ch 1072, §3, 9; 95 Acts, ch 185, §46; 96 Acts, ch 1045, § 2

507E.4 Examination of information outside the state.

The bureau shall seek to obtain by request, any information related to the enforcement of this chapter in the possession of a person located outside the state. The bureau may designate a representative, including an official of the state where the information is located, to inspect the information on behalf of the bureau at the place where the information is located. The bureau may respond to similar requests from an official from another state.

507E.5 Confidentiality.

Notwithstanding chapter 22, the papers, documents, reports, or evidence in the possession of the bureau which are related to the subject of an investigation under this chapter shall not be subject to public inspection as long as the bureau deems such confidentiality reasonably necessary to complete the investigation, to protect the person investigated from unwarranted injury, or not to be in the public interest. Additionally, such papers, documents, reports, or evidence related to the subject of an investigation under this chapter is not subject to subpoena until opened for public inspection by the bureau, upon the consent of the bureau, or until the court determines, after notice to the bureau and hearing, that the bureau would not be unnecessarily hindered by such subpoena. An investigator of the bureau is not subject to subpoena in a civil action concerning any matter of which the investigator has knowledge pursuant to a pending investigation by the bureau pursuant to this chapter.

507E.6 Duties of insurer.

An insurer which believes that a claim is being made which is a violation of section 507E.3 shall provide, within sixty days of the receipt of such claim, written notification to the bureau of the claim on a form prescribed by the bureau, including any additional information requested by the bureau related to the claim or the party making the claim. The fraud bureau shall review each notification and determine whether further investigation is warranted. If the bureau determines that further investigation is warranted, the bureau shall conduct an independent investigation of the facts surrounding the claim to determine the extent, if any, to which fraud occurred in the submission of the claim. The bureau shall report any alleged violation of law disclosed by the investigation to the appropriate licensing agency or prosecuting authority having jurisdiction with respect to such violation.

507E.7 Immunity from liability.

1. A person acting without malice, fraudulent intent, or bad faith is not liable civilly as a result of filing a report or furnishing, orally or in writing, other information concerning alleged acts in violation of this chapter, if the report or information is provided to or received from any of the following:

- a. Law enforcement officials, their agents and employees.
- b. The national association of insurance commissioners, the insurance division, a federal or state governmental agency or bureau established to detect and prevent fraudulent insurance acts, or any other organization established for such purpose, and their agents, employees, or designees.
- c. An authorized representative of an insurer.

2. This section does not affect in any way any common law or statutory privilege or immunity applicable to such person or entity.

507E.8 Peace officer status.

Bureau investigators shall have the power and status of peace officers when making arrests for criminal

violations established as a result of their investigations pursuant to this chapter. The general laws applicable to arrests by peace officers of the state also apply to bureau investigators. Bureau investigators shall have the power to execute arrest warrants and search warrants for the same criminal violations, serve subpoenas issued for the examination, investigation, and trial of all offenses identified through their investigations, and arrest upon probable cause without warrant a person found in the act of committing a violation of the provisions of this chapter.

94 Acts, ch 1072, §8