

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to amend and reenact section 26.1-02.1-05 of the North Dakota Century  
2 Code, relating to the penalties and restitution for insurance fraud; to provide a penalty; and to  
3 provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 26.1-02.1-05 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **26.1-02.1-05. Penalties - Restitution.**

8 1. a. A violation of section 26.1-02.1-02.1 is:

- 9 (1) A class A felony if the value of any property or services retained exceeds  
10 fifty thousand dollars;
- 11 (2) A class B felony if the value of ~~any property or services attempted to be~~  
12 ~~obtained~~the act associated with the fraud or directly related to the fraud  
13 exceeds fifty thousand dollars;
- 14 (3) A class B felony if the value of any property or services retained exceeds  
15 ten thousand dollars but does not exceed fifty thousand dollars;
- 16 (4) A class C felony if the value of ~~any property or services attempted to be~~  
17 ~~obtained~~the act associated with the fraud or directly related to the fraud  
18 exceeds ten thousand dollars but does not exceed fifty thousand dollars;
- 19 (5) A class C felony if the value of any property or services retained exceeds  
20 one thousand dollars but does not exceed ten thousand dollars; and
- 21 (6) A class A misdemeanor in all other cases.

22 b. For purposes of this section, the value of any property and services must be  
23 determined in accordance with section 12.1-23-05.

- 1           2. ~~In the event that~~if a practitioner is adjudicated guilty of a violation of section  
2           26.1-02.1-02.1, the court shall notify the appropriate licensing authority of this state of  
3           the adjudication. The appropriate licensing authority shall hold an administrative  
4           hearing to consider the imposition of administrative sanctions as provided by law  
5           against the practitioner.
- 6           3. In addition to any other punishment, a person ~~who~~that violates section 26.1-02.1-02.1  
7           must be ordered to make restitution to the insurer or to any other person for any  
8           financial loss sustained as a result of the violation of section 26.1-02.1-02.1. The court  
9           shall determine the extent and method of restitution.
- 10          4. A prosecution for any felony offense under chapter 26.1-02.1 must be commenced  
11          within three years after the date of discovery of the fraud.
- 12          5. A prosecution for any misdemeanor or infraction offense under chapter 26.1-02.1 must  
13          be commenced within two years after the date of discovery of the fraud.