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House of Representatives
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DATE: January 31, 2011
TO: All House Members
FROM: Representative Bryan Barbin 
SUBJECT: Co-sponsorship of Legislation: Comprehensive Reform of Insurance Fraud Laws

In the near future, I will be reintroducing House Bill 1750 from the last session. This legislation passed the House 197-0 without action being taken in the Senate.

This legislation is a comprehensive reform of the insurance fraud laws of the Commonwealth – something which has not taken place since 1994.

In PA, the Insurance Fraud Prevention Authority has found that reported insurance fraud has increased by 62 percent over the last two years.

This act amends Title 18 (The Crimes Code) and Title 40 (relating to Insurance), and represents a comprehensive reform of the insurance fraud statutes in the Commonwealth. Its highlights include:

1. Expansion of the criminal law definition of “insurance fraud”;
2. Expansion of the existing criminal and civil immunity protections for those individuals who cooperate with law enforcement officials;
3. Expansion of the currently mandated insurance fraud notice;
4. Reenactment of the Insurance Fraud Prevention Authority (IFPA) and the Section of Insurance Fraud within the Office of Attorney General into Title 40;
5. Development of anti-fraud plans by licensed insurers for all lines of insurance they write, and the filing of the plans with the Insurance Department;
6. Cooperation between insurers in the exchange of information to fight insurance fraud;
7. Prohibitions on an insurers passing on costs of insurance fraud payments to policyholders via rate filings; and
8. Assessment of civil penalties for failure to timely anti-fraud plans.

Health care fraud is a pervasive and costly drain on the U.S. health care system. In health care insurance, alone, the Federal Bureau of Investigation (FBI) estimates between \$70 billion and \$234 billion is essentially stolen from the American public through health care fraud schemes annually.

If you would like to co-sponsor this important legislation, please email Valerie Hubbard vhubbard@pahouse.net.