STATE OF NEW YORK

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2551

2017-2018 Regular Sessions

IN ASSEMBLY

January 20, 2017
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Introduced by M. of A. PRETLOW -- read once and referred to the Commit-
  tee on Insurance

AN ACT to amend the insurance law, in relation to compensation for
  reports of insurance fraud to law enforcement authorities

  **The People of the State of New York, represented in Senate and Assem-
  bly, do enact as follows:**

1   Section 1. The insurance law is amended by adding a new section 405-a
2 to read as follows:
3   *§ 405-a.   Compensation for report of insurance fraud to law enforce-*
4 *ment authorities. (a) Any person, other than persons described in*
5 *subsection (a) of section four hundred five of this article, who has*
6 *reason to believe that a fraudulent insurance act prohibited pursuant to*
7 *article one hundred seventy-six of the penal law has been committed or*
8 *that an insurance transaction may be fraudulent, or has knowledge that a*
9 *fraudulent insurance transaction is about to take place, or has taken*
10 *place may report such act or transaction and any additional information*
11 *relative to the factual circumstances of the transaction and the parties*
12 *involved to the attorney general, district attorney or insurance frauds*
13 *bureau.*
14   *(b) If the insurance frauds bureau recommends to the attorney general*
15 *or district attorney to commence an action or if the attorney general or*
16 *district attorney commences an action based on information provided by a*
17 *person pursuant to subsection (a) of this section, then such person*
18 *shall be entitled to receive an award of forty percent of the proceeds*
19 *of the action.   The attorney general or district attorney shall recom-*
20 *mend to the court when a settlement is entered the amount of such award.*
21 *The court shall base such award decision on the extent to which the*
22 *person substantially contributed to the prosecution of the action.*
23   § 2. This act shall take effect immediately and shall apply to all
24 reports of fraudulent insurance transactions made on and after such
25 effective date.

EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets
[-] is old law to be omitted.