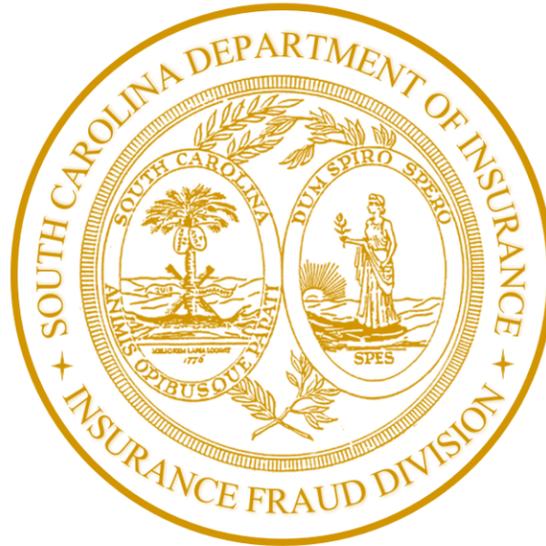


Annual Report

2023

Annual Report 2023



South Carolina Department of Insurance
Insurance Fraud Division
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Columbia, South Carolina 29201
Telephone: 803-737-6424
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Current Insurance Fraud Division Staff:

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Special Assistant Attorney General
Director, Insurance Fraud Division

Shayna Thompson
Program Coordinator

Moultrie D. Roberts
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South Carolina Department of Insurance

Capitol Center
1201 Main Street, Suite 1000
Columbia, South Carolina 29201

HENRY McMASTER
Governor

MICHAEL WISE
Director

Mailing Address:
P.O. Box 100105, Columbia, S.C. 29202-3105

MESSAGE FROM THE DIRECTOR OF INSURANCE

I proudly present the 2023 Annual Report of the South Carolina Insurance Fraud Division to the General Assembly. This report reflects the second full year of the Insurance Fraud Division joining the South Carolina Department of Insurance.

The Insurance Fraud Division joined the Department of Insurance after the execution of a Memorandum of Understanding between the Department of Insurance, the Attorney General's Office, and the South Carolina Law Enforcement Division (SLED). This agreement, combined with funding from the General Assembly, allowed the Department of Insurance to hire its first Director of the Insurance Fraud Division in September 2021. Since that time, the Division has grown to include a total of 8 positions. The Insurance Fraud Division shall continue to operate pursuant to the MOU until legislation makes the change permanent.

This past year revealed that insurance fraud continues to persist and grow in South Carolina. In 2023, the Insurance Fraud Division received a combined total of 3,663 complaints of suspected insurance fraud, a significant increase from the previous year. This represents the largest number of insurance fraud complaints ever received in South Carolina in a single calendar year. These complaints came to the Department of Insurance by way of reports from the National Insurance Crime Bureau (NICB), the National Association of Insurance Commissioners (NAIC), individual insurance companies, and citizens utilizing online complaint forms and the Insurance Fraud Hotline. The complaints from 2023 involve a wide range of insurance products as further explained in this report.

Despite South Carolina ranking 23rd in population, NICB reports that we currently rank 16th in the country for questionable insurance claims. More importantly, South Carolina ranks 13th in questionable vehicle-related insurance claims. This ranking includes claims involving suspected staged vehicle collisions, for which South Carolina ranks 9th in the nation. This type of fraud creates a danger to our citizens. The people who commit this fraud stage fake car "accidents" for the purpose of making money from insurance claims. To increase the profit from these claims, the perpetrators pack the vehicles with passengers, sometimes including children, to inflate potential claims for bodily injury. In many cases, everyone involved in the "collision" is a knowing participant in the fraud. Unfortunately, in other cases the perpetrators intentionally cause collisions with innocent and unsuspecting drivers. These schemes take advantage of emergency services and divert these resources from people truly in need of help. Ultimately, this fraud affects the safety of our roads and adds to the cost of premiums paid by every South Carolina driver.

A recent study conducted by the Colorado State University Global White Collar Task Force, in partnership with the Coalition Against Insurance Fraud estimates that the annual cost of insurance fraud in the U.S. is approximately 308 billion dollars. When broken down per capita, South Carolina's share of that cost is 4.9 billion dollars. That means that the cost of insurance fraud per adult in South Carolina is approximately \$1,184 every year.

The Department of Insurance recognizes the scope of insurance fraud in South Carolina and the problems caused by these crimes. Insurance fraud diverts resources and increases costs affecting every citizen of this great state. Insurance fraud is not a victimless crime. The Department of Insurance remains dedicated to the cause of fighting insurance fraud and will continue to support the Insurance Fraud Division in the years ahead. The Department looks forward to the further development of the unit, its continued cooperation with SLED, and their successful investigations and prosecutions in the months and years ahead.

Sincerely,

A handwritten signature in cursive script that reads "Michael Wise".

Michael Wise
Director of Insurance



South Carolina Department of Insurance

Capitol Center
1201 Main Street, Suite 1000
Columbia, South Carolina 29201

HENRY McMASTER
Governor

MICHAEL WISE
Director

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MESSAGE FROM THE INSURANCE FRAUD DIVISION

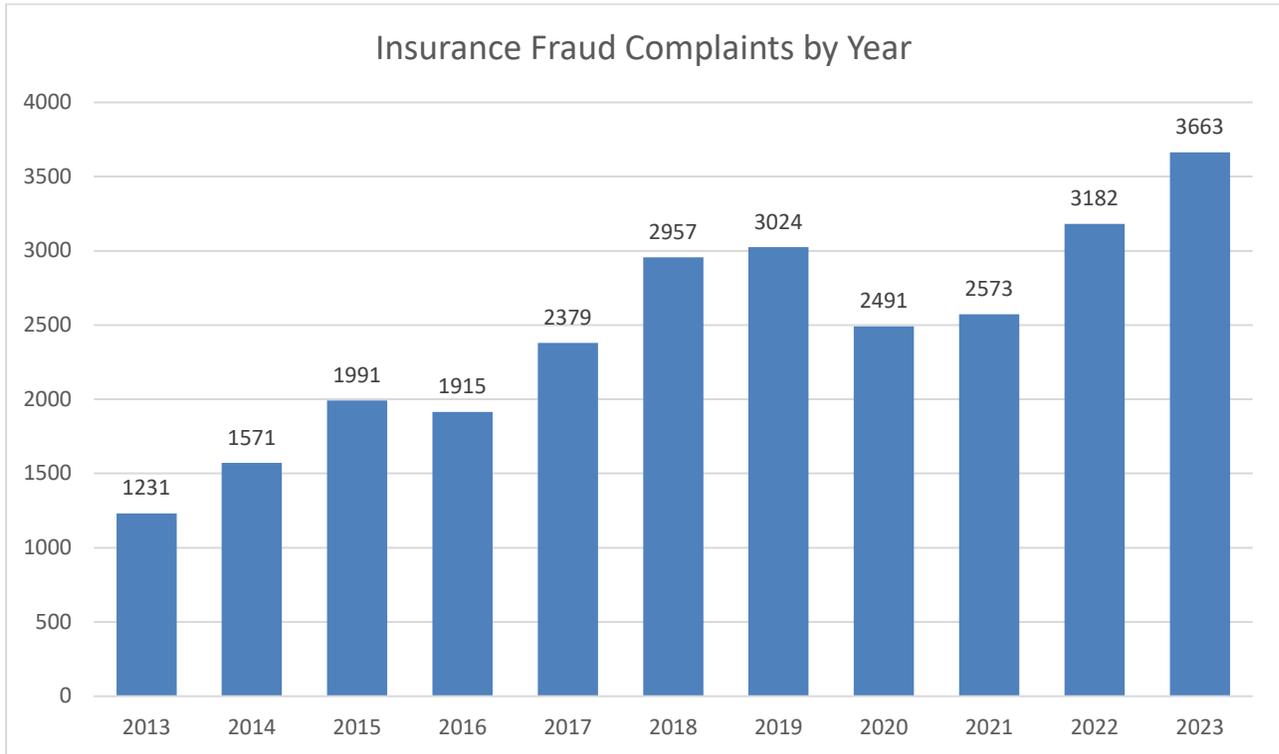
The Insurance Fraud Division was established by the Omnibus Insurance Fraud and Reporting Immunity Act in 1994. This Act created the Division within the Office of the Attorney General to prosecute insurance fraud throughout the State. The Act further requires the South Carolina Law Enforcement Division (SLED) to investigate allegations of insurance fraud. In 2021, the Office of the Attorney General, SLED, and the Department of Insurance executed a Memorandum of Understanding to relocate the Insurance Fraud Division to the Department of Insurance.

Pursuant to this agreement, the Attorney General appoints certain attorneys, hired by the Department of Insurance, as Special Assistant Attorneys General to prosecute insurance fraud related crimes under the general supervision and control of the Attorney General. SLED continues to investigate insurance fraud as a partner with the Insurance Fraud Division. The Department of Insurance employs and houses the staff of the Insurance Fraud Division. The Department of Insurance also provides office space and equipment for SLED's insurance fraud investigators and their supervising lieutenant to facilitate the partnership between the investigators and the prosecutors.

The backlog of cases pending review or SLED investigation has proven to be one of the most cumbersome parts of the Division's transition with copies of these files continuing to be delivered well into 2022. Our prosecutors reviewed and closed many of these cases in 2022 and 2023, many of which were several years old. This focus on the older backlog of cases has resulted in a temporary backlog of relatively newer cases and complaints. However, it was necessary to concentrate efforts to clear the older backlog to allow for better use of resources to increase the likelihood of successful investigations and prosecutions of newer cases. The staff will continue to catch up on the temporary backlog of newer cases while the Division continues to improve efficiency and works through the shrinking number of older cases.

The Insurance Fraud Division has been working to build a new case management system to better track cases from initial complaint through final disposition. The first phase of the new system went into operation midway through 2022. The second phase was expected to be completed in 2023. However, this phase remains under development going into 2024. Once fully operational, this case management system is expected to greatly increase efficiency. It will also allow for better tracking methods which will increase analytical abilities to better identify insurance fraud trends. An important goal for this new system is to improve the abilities of SLED and the Insurance Fraud Division to share case information.

In 2023, the Insurance Fraud Division received a record high 3,663 complaints. This marks the second consecutive year of a record-breaking number of received complaints. As expected, this second record year has pushed our state up in the rankings when compared against the number of complaints in other states. According to NICB, South Carolina now ranks 16th in the nation for the number of questionable claims received in 2023 compared to 19th in 2022.



Unfortunately, South Carolina, at 9th, still ranks in the top ten of states with the highest number of questionable claims related to staged automobile accidents. These cases pose a serious problem for the citizens of South Carolina. Artificial property and injury claims create a higher area of risk for insurance carriers who are forced to pass the cost on to South Carolina’s consumers in the form of higher premium payments. More importantly, these staged accidents often involve innocent drivers and passengers who do not know that these criminals are going to intentionally collide with their vehicles. This places both the criminals and victims at serious risk of bodily injury or death. Pursuing cases involving staged automobile accidents, particularly those involving organized ring activity, will continue to be a high priority for the Division in 2024.

Late in 2023, the Insurance Fraud Division began to receive a growing number of complaints concerning a particular type of fraud by insurance agents. This emerging trend involves allegations of agents attempting to earn undeserved commissions, bonuses, and other benefits by improperly signing up consumers for insurance coverage or changing the consumer’s insurance plans and other data, particularly in connection with the Affordable Care Act Health Insurance Marketplace. These acts are carried out without the permission or knowledge of the

consumers and often involve the input of false information and the misuse of personal information. In the context of health coverage, this conduct has the potential to prevent consumers from receiving medical treatment due to unauthorized insurance changes affecting coverage and co-pays. In some situations, this type of fraud can also result in consumers being wrongfully qualified or disqualified for plans or benefits, including Medicaid. In 2024, the Insurance Fraud Division will collaborate with other South Carolina agencies, our counterparts in other states, and federal authorities to identify the scope of this fraud and to develop measures to counter these schemes while holding accountable those who are responsible.

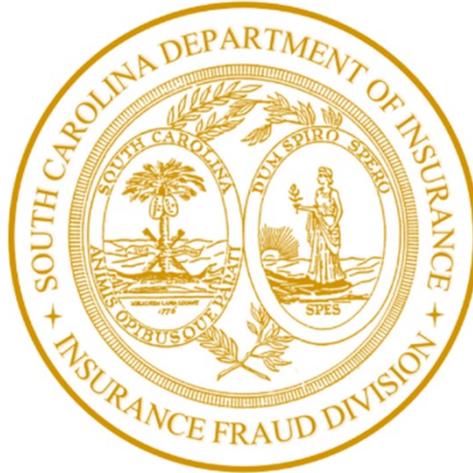
Together, the Department of Insurance, SLED, and the Attorney General's Office all recognize that insurance fraud is not a victimless crime. Every citizen who must pay higher insurance premiums to recoup the money lost to fraud is a victim. Every innocent driver and passenger who gets caught up in a staged collision is a victim. Every person or business that must absorb the cost of a loss when no insurance exists because a contractor presents a false certificate of insurance is a victim. The Insurance Fraud Division remains dedicated to fighting insurance fraud throughout this state.

We would like to thank the private citizens, insurance professionals, and members of law enforcement who reported cases of suspected insurance fraud in 2023. We also thank the investigators and other insurance professionals who investigate these cases. Without their work and assistance, the fight against insurance fraud would be nearly impossible. We also thank the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud, the South Carolina chapter of the International Association of Special Investigative Units (IASIU), the South Carolina Insurance Association, and the Independent Insurance Agents & Brokers of South Carolina for partnering with our office and for their work in raising the awareness of insurance fraud.

Respectfully,



Joshua R. Underwood
Special Assistant Attorney General
Director, Insurance Fraud Division



SUMMARY

Status of Cases – 2023

Complaints Received

Complaints received in 2023	3,663
Complaints declined for prosecution (includes complaints from prior years)	3,321
Total matters pending review, investigation, or prosecution as of 12/31/2023	1,757

Matters Related to SLED

Complaints referred to SLED in 2023	184
Arrests by SLED in 2023	43
Complaints under investigation by SLED as of 12/31/2023*	481
Cases opened by SLED in 2023	157

*SLED may consolidate multiple complaints into single investigations when appropriate on a case by case basis."

Disposition of Cases

Cases disposed by Memorandum of Understanding (MOU)	9
Individuals convicted in 2023 (in General Sessions Court)	11
Total restitution	\$160,844.16

Monies Ordered and/or Collected Pursuant to Civil Dispositions

Source of Fines	Amount
Civil fines collected by consent (MOU)	\$6,250
Court ordered civil fines	\$6,000
Total	\$12,250

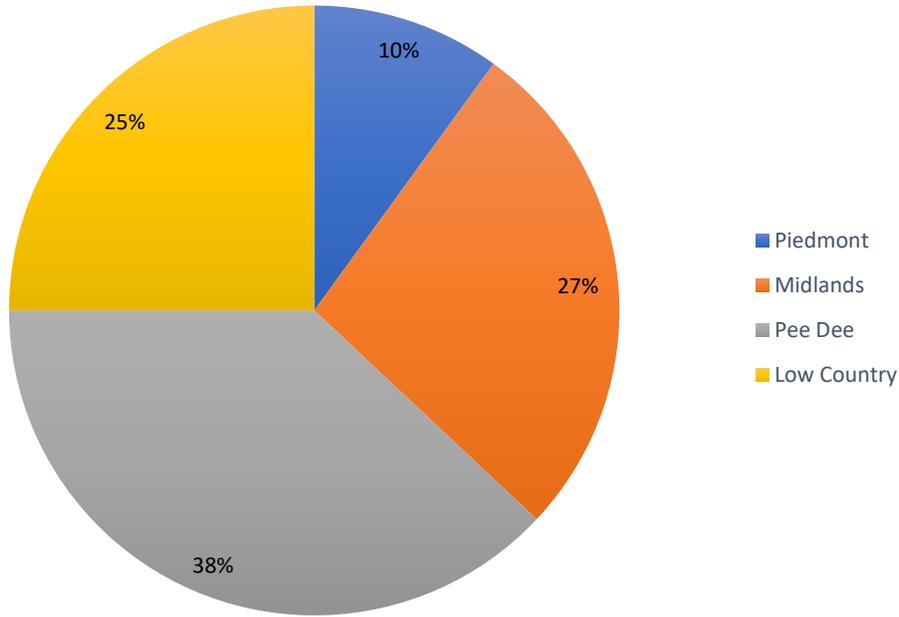
Monies Ordered and/or Collected Pursuant to Court Order

Restitution	Amount
Restitution ordered	\$82,500
Restitution paid outside of court	\$78,344.16
Total	\$160,844.16

Court Ordered Monies	Amount
Restitution ordered	\$82,500
Court ordered civil fines	\$6,000
Court ordered criminal fines	\$5,250
Total	\$93,750

2023 CASES OPENED BY SLED BY REGION

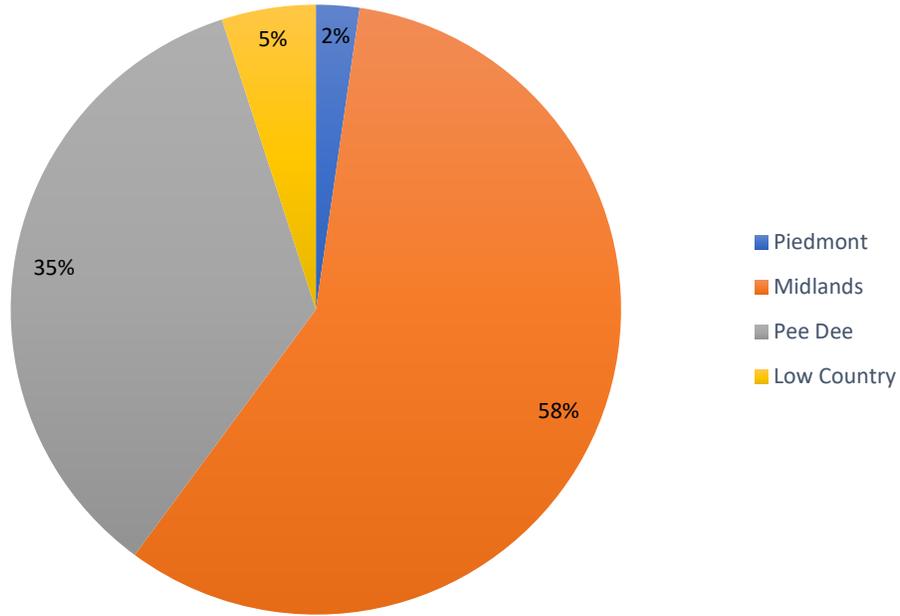
Referrals are sent to the South Carolina Law Enforcement Division (SLED) in order to decide if a complaint meets the elements of an insurance fraud crime. During 2023, SLED opened 157 cases deeming them necessary for further investigation. As the chart below indicates, these cases were received from all areas of the state:



Region	Number of Cases	Percent of Total
Piedmont	15	9.6%
Midlands	43	27.4%
Pee Dee	60	38.2%
Low Country	39	24.8%
Total	157	

2023 SLED ARRESTS BY REGION

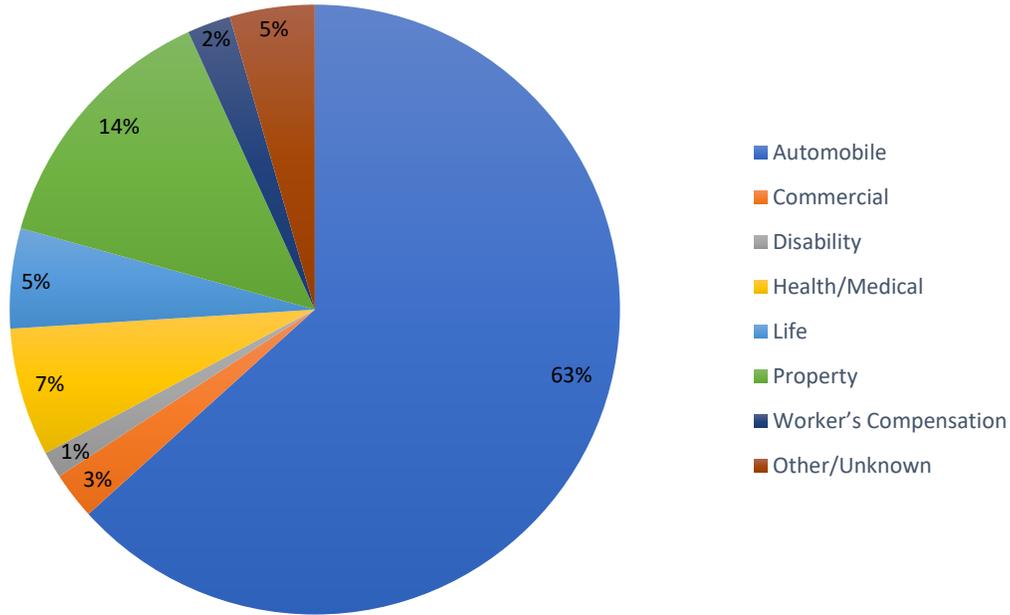
During 2023, the South Carolina Law Enforcement Division (SLED) had 43 arrests related to insurance fraud. As the chart below indicates, these arrests were made in all areas of the state:



Region	Number of Arrests	Percent of Total
Piedmont	1	2.3%
Midlands	25	58.1%
Pee Dee	15	34.9%
Low Country	2	4.7%
Total	43	

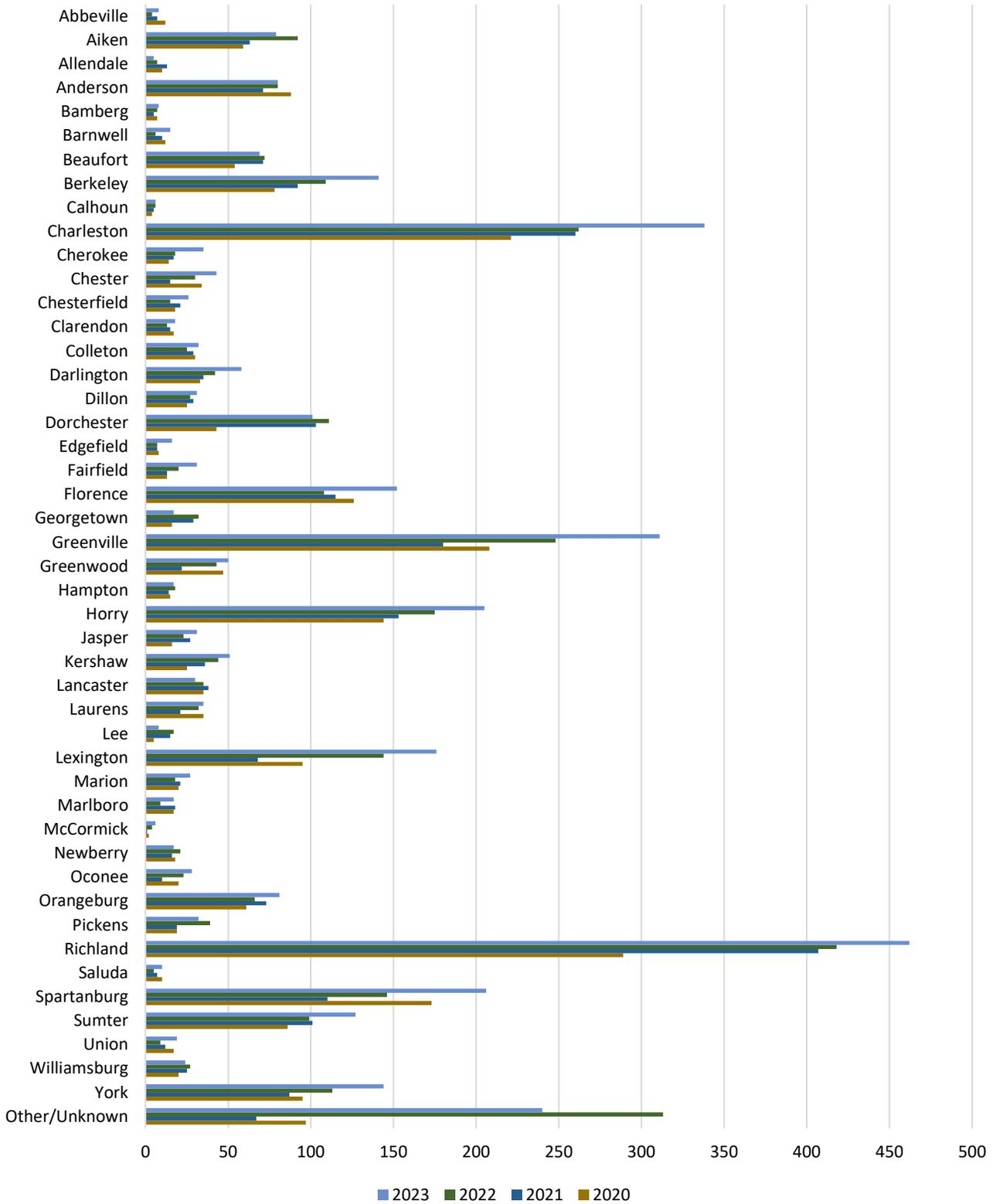
2023 COMPLAINTS RECEIVED BY TYPE OF FRAUD

The fraud complaints received during 2023 by the Insurance Fraud Division consisted of the following types of fraud:

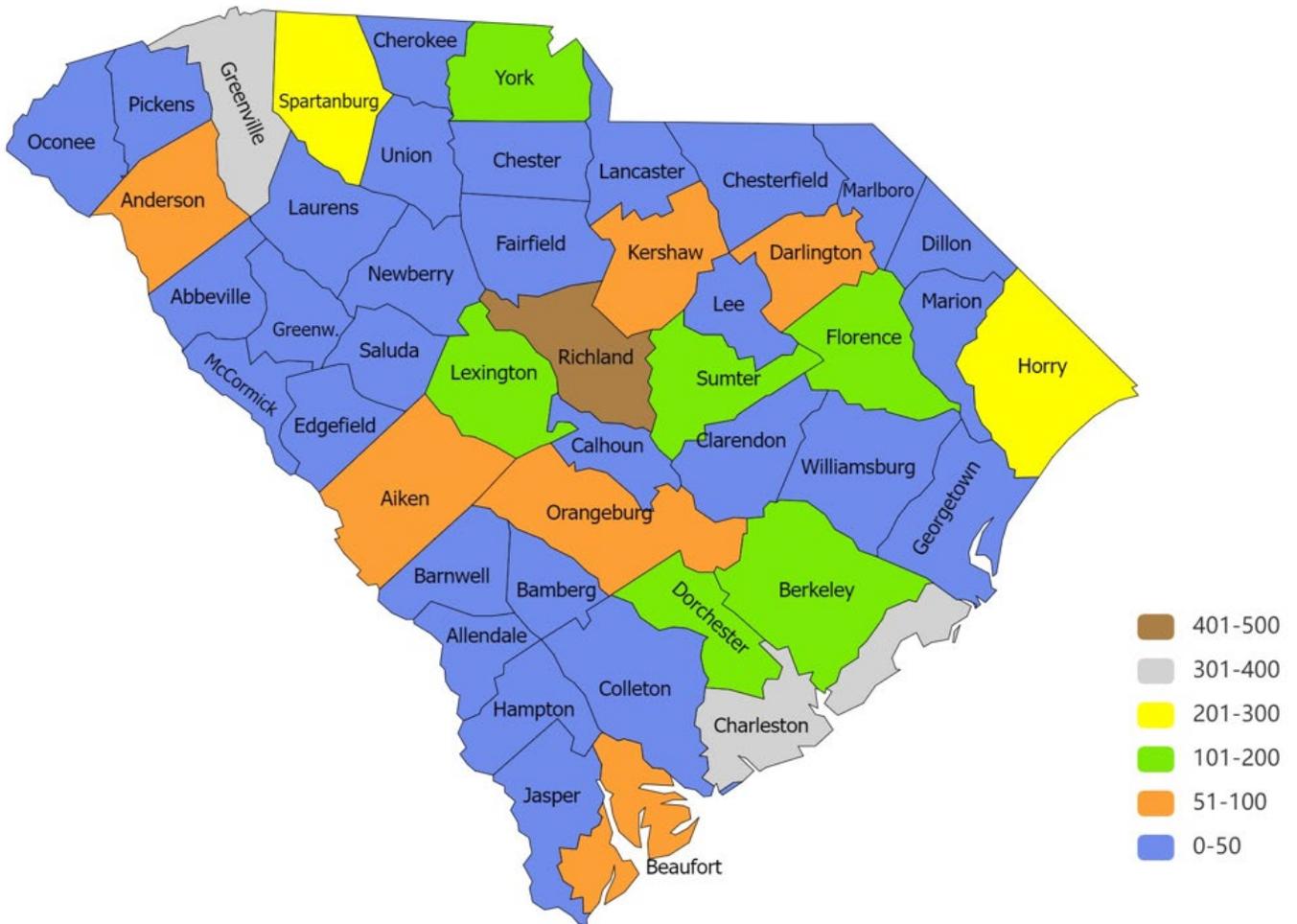


Type of Fraud	Number of Complaints	Percent of Total
Automobile	2,319	63.3%
Commercial	91	2.5%
Disability	52	1.4%
Health/Medical	248	6.8%
Life	195	5.3%
Property	508	13.9%
Worker's Compensation	85	2.3%
Other/Unknown	165	4.5%
Total	3,663	

COUNTY COMPARISON BETWEEN 2020, 2021, 2022, AND 2023



COMPLAINTS BY COUNTY



2023 COMPLAINTS BY COUNTY

Abbeville County

Type of Fraud	Number of Complaints
Automobile	6
Commercial	0
Disability	0
Health/Medical	2
Life	0
Property	0
Worker's Compensation	0
Other	0
Total	8

Aiken County

Type of Fraud	Number of Complaints
Automobile	55
Commercial	0
Disability	0
Health/Medical	1
Life	8
Property	12
Worker's Compensation	3
Other	0
Total	79

Allendale County

Type of Fraud	Number of Complaints
Automobile	4
Commercial	0
Disability	0
Health/Medical	0
Life	1
Property	0
Worker's Compensation	0
Other	0
Total	5

Anderson County

Type of Fraud	Number of Complaints
Automobile	44
Commercial	3
Disability	5
Health/Medical	3
Life	5
Property	13
Worker's Compensation	2
Other	5
Total	80

Bamberg County

Type of Fraud	Number of Complaints
Automobile	6
Commercial	0
Disability	0
Health/Medical	0
Life	2
Property	0
Worker's Compensation	0
Other	0
Total	8

Barnwell County

Type of Fraud	Number of Complaints
Automobile	10
Commercial	1
Disability	1
Health/Medical	2
Life	0
Property	1
Worker's Compensation	0
Other	0
Total	15

Beaufort County

Type of Fraud	Number of Complaints
Automobile	44
Commercial	2
Disability	1
Health/Medical	3
Life	4
Property	11
Worker's Compensation	1
Other	3
Total	69

Berkeley County

Type of Fraud	Number of Complaints
Automobile	90
Commercial	0
Disability	0
Health/Medical	4
Life	7
Property	23
Worker's Compensation	6
Other	11
Total	141

Calhoun County

Type of Fraud	Number of Complaints
Automobile	3
Commercial	1
Disability	0
Health/Medical	0
Life	1
Property	0
Worker's Compensation	0
Other	1
Total	6

Charleston County

Type of Fraud	Number of Complaints
Automobile	232
Commercial	6
Disability	3
Health/Medical	13
Life	17
Property	32
Worker's Compensation	15
Other	20
Total	338

Cherokee County

Type of Fraud	Number of Complaints
Automobile	28
Commercial	0
Disability	0
Health/Medical	0
Life	0
Property	6
Worker's Compensation	0
Other	1
Total	35

Chester County

Type of Fraud	Number of Complaints
Automobile	38
Commercial	0
Disability	0
Health/Medical	0
Life	1
Property	4
Worker's Compensation	0
Other	0
Total	43

Chesterfield County

Type of Fraud	Number of Complaints
Automobile	18
Commercial	0
Disability	1
Health/Medical	1
Life	4
Property	1
Worker's Compensation	1
Other	0
Total	26

Clarendon County

Type of Fraud	Number of Complaints
Automobile	14
Commercial	1
Disability	0
Health/Medical	0
Life	0
Property	3
Worker's Compensation	0
Other	0
Total	18

Colleton County

Type of Fraud	Number of Complaints
Automobile	16
Commercial	0
Disability	0
Health/Medical	1
Life	3
Property	4
Worker's Compensation	0
Other	8
Total	32

Darlington County

Type of Fraud	Number of Complaints
Automobile	42
Commercial	1
Disability	0
Health/Medical	4
Life	4
Property	5
Worker's Compensation	1
Other	1
Total	58

Dillon County

Type of Fraud	Number of Complaints
Automobile	23
Commercial	1
Disability	1
Health/Medical	3
Life	1
Property	2
Worker's Compensation	0
Other	0
Total	31

Dorchester County

Type of Fraud	Number of Complaints
Automobile	71
Commercial	3
Disability	3
Health/Medical	1
Life	2
Property	12
Worker's Compensation	1
Other	8
Total	101

Edgefield County

Type of Fraud	Number of Complaints
Automobile	11
Commercial	0
Disability	0
Health/Medical	1
Life	2
Property	2
Worker's Compensation	0
Other	0
Total	16

Fairfield County

Type of Fraud	Number of Complaints
Automobile	26
Commercial	1
Disability	0
Health/Medical	0
Life	0
Property	3
Worker's Compensation	1
Other	0
Total	31

Florence County

Type of Fraud	Number of Complaints
Automobile	86
Commercial	9
Disability	2
Health/Medical	5
Life	7
Property	38
Worker's Compensation	2
Other	3
Total	152

Georgetown County

Type of Fraud	Number of Complaints
Automobile	11
Commercial	0
Disability	0
Health/Medical	3
Life	1
Property	2
Worker's Compensation	0
Other	0
Total	17

Greenville County

Type of Fraud	Number of Complaints
Automobile	193
Commercial	15
Disability	5
Health/Medical	18
Life	14
Property	40
Worker's Compensation	8
Other	18
Total	311

Greenwood County

Type of Fraud	Number of Complaints
Automobile	37
Commercial	1
Disability	0
Health/Medical	0
Life	4
Property	2
Worker's Compensation	1
Other	5
Total	50

Hampton County

Type of Fraud	Number of Complaints
Automobile	11
Commercial	3
Disability	0
Health/Medical	0
Life	0
Property	1
Worker's Compensation	1
Other	1
Total	17

Horry County

Type of Fraud	Number of Complaints
Automobile	118
Commercial	8
Disability	3
Health/Medical	10
Life	10
Property	35
Worker's Compensation	12
Other	9
Total	205

Jasper County

Type of Fraud	Number of Complaints
Automobile	24
Commercial	0
Disability	1
Health/Medical	1
Life	2
Property	1
Worker's Compensation	2
Other	0
Total	31

Kershaw County

Type of Fraud	Number of Complaints
Automobile	33
Commercial	1
Disability	0
Health/Medical	3
Life	3
Property	6
Worker's Compensation	1
Other	4
Total	51

Lancaster County

Type of Fraud	Number of Complaints
Automobile	21
Commercial	1
Disability	0
Health/Medical	2
Life	1
Property	3
Worker's Compensation	2
Other	0
Total	30

Laurens County

Type of Fraud	Number of Complaints
Automobile	27
Commercial	1
Disability	3
Health/Medical	1
Life	1
Property	1
Worker's Compensation	1
Other	0
Total	35

Lee County

Type of Fraud	Number of Complaints
Automobile	7
Commercial	0
Disability	0
Health/Medical	0
Life	0
Property	1
Worker's Compensation	0
Other	0
Total	8

Lexington County

Type of Fraud	Number of Complaints
Automobile	108
Commercial	1
Disability	5
Health/Medical	9
Life	9
Property	37
Worker's Compensation	2
Other	5
Total	176

Marion County

Type of Fraud	Number of Complaints
Automobile	16
Commercial	0
Disability	0
Health/Medical	1
Life	3
Property	6
Worker's Compensation	0
Other	1
Total	27

Marlboro County

Type of Fraud	Number of Complaints
Automobile	13
Commercial	2
Disability	0
Health/Medical	0
Life	1
Property	1
Worker's Compensation	0
Other	0
Total	17

McCormick County

Type of Fraud	Number of Complaints
Automobile	2
Commercial	0
Disability	1
Health/Medical	0
Life	3
Property	0
Worker's Compensation	0
Other	0
Total	6

Newberry County

Type of Fraud	Number of Complaints
Automobile	16
Commercial	0
Disability	0
Health/Medical	0
Life	0
Property	1
Worker's Compensation	0
Other	0
Total	17

Oconee County

Type of Fraud	Number of Complaints
Automobile	12
Commercial	1
Disability	1
Health/Medical	4
Life	3
Property	6
Worker's Compensation	1
Other	0
Total	28

Orangeburg County

Type of Fraud	Number of Complaints
Automobile	55
Commercial	1
Disability	0
Health/Medical	1
Life	6
Property	15
Worker's Compensation	0
Other	3
Total	81

Pickens County

Type of Fraud	Number of Complaints
Automobile	22
Commercial	0
Disability	2
Health/Medical	3
Life	0
Property	1
Worker's Compensation	1
Other	3
Total	32

Richland County

Type of Fraud	Number of Complaints
Automobile	304
Commercial	6
Disability	6
Health/Medical	14
Life	19
Property	98
Worker's Compensation	3
Other	12
Total	462

Saluda County

Type of Fraud	Number of Complaints
Automobile	9
Commercial	0
Disability	0
Health/Medical	0
Life	1
Property	0
Worker's Compensation	0
Other	0
Total	10

Spartanburg County

Type of Fraud	Number of Complaints
Automobile	137
Commercial	9
Disability	3
Health/Medical	7
Life	13
Property	22
Worker's Compensation	4
Other	11
Total	206

Sumter County

Type of Fraud	Number of Complaints
Automobile	83
Commercial	5
Disability	1
Health/Medical	4
Life	2
Property	20
Worker's Compensation	3
Other	9
Total	127

Union County

Type of Fraud	Number of Complaints
Automobile	17
Commercial	0
Disability	0
Health/Medical	0
Life	0
Property	1
Worker's Compensation	1
Other	0
Total	19

Williamsburg County

Type of Fraud	Number of Complaints
Automobile	21
Commercial	0
Disability	0
Health/Medical	1
Life	0
Property	2
Worker's Compensation	0
Other	0
Total	24

York County

Type of Fraud	Number of Complaints
Automobile	88
Commercial	4
Disability	4
Health/Medical	5
Life	5
Property	25
Worker's Compensation	6
Other	7
Total	144

Out of State/Unknown

Type of Fraud	Number of Complaints
Automobile	67
Commercial	3
Disability	0
Health/Medical	117
Life	25
Property	9
Worker's Compensation	3
Other	16
Total	240

**SELECTED STATUTES FROM THE SOUTH CAROLINA CODE OF LAWS
PERTAINING TO THE OFFENSES FOR WHICH DEFENDANTS ARE
PROSECUTED AND CONVICTED**

§38-55-590. Annual report by Director of Insurance Fraud Division in Office of Attorney General to General Assembly.

The Director of the Insurance Fraud Division in the Office of the Attorney General shall annually report to the General Assembly regarding:

- (A) the status of matters reported to the division, if not privileged information by law;
- (B) the number of allegations or reports received.
- (C) the number of matters referred to the State Law Enforcement Division for investigation;
- (D) the outcome of all investigations and prosecutions under this article, if not privileged by law;
- (E) the total amount of fines levied by the court and paid to or deposited by the division; and
- (F) patterns and practices of fraudulent insurance transactions identified in the course of performing its duties. The director shall also periodically report this information to insurers transacting business in this State, health maintenance organizations transacting business in this State, and other persons, including the State of South Carolina, which provide benefits for health care in this State, whether these benefits are administered directly or through a third person.

§ 38-55-530. Definitions.

As used in this article:

(A) “Authorized agency” means any duly constituted criminal investigative department or agency of the United States or of this State; the Department of Insurance; the Department of Revenue; the Department of Public Safety; the Workers' Compensation Commission; the State Accident Fund; the Second Injury Fund; the Employment Security Commission; the Department of Consumer Affairs; the Human Affairs Commission; the Department of Health and Environmental Control; the Department of Social Services; the Department of Health and Human Services; the Department of Labor, Licensing and Regulation; all other state boards, commissions, and agencies; the Office of the Attorney General of South Carolina; or the prosecuting attorney of any judicial circuit, county, municipality, or political subdivision of this State or of the United States, and their respective employees or personnel acting in their official capacity.

(B) “Insurer” shall have the meaning set forth in Section 38-1-20(25) and includes any authorized insurer, self-insurer, reinsurer, broker, producer, or any agent thereof.

(C) “Person” means any natural person, company, corporation, unincorporated association, partnership, professional corporation, or other legal entity and includes any applicant, policyholder, claimant, medical providers, vocational rehabilitation provider, attorney, agent, insurer, fund, or advisory organization.

(D) “False statement and misrepresentation” means a statement or representation made by a person that is false, material, made with the person's knowledge of the falsity of the statement, and made with the intent of obtaining or causing another to obtain or attempting to obtain or causing another to obtain an undeserved economic advantage or benefit or made with the intent to deny or cause another to deny any benefit or payment in connection with an insurance transaction and such shall constitute fraud. “False statement or misrepresentation” specifically includes, but is not limited to, an intentional:

- (1) False report of business activities;
- (2) Miscount or misclassification by an employer of its employees;
- (3) Failure to timely reduce reserves;
- (4) Failure to account for Second Injury Fund reimbursements or subrogation reimbursements; or
- (5) Failure to provide verifiable information to public or private rating bureaus and the Department of Insurance.

An undeserved economic benefit or advantage includes, but is not limited to, a favorable insurance premium, payment schedule, insurance award, or insurance settlement.

(E) “Immune” means that neither a civil action nor a criminal prosecution may arise from any action taken pursuant to this article unless actual malice on the part of the reporting person or gross negligence or reckless disregard for the rights of the reported person is present.

§38-55-540. Criminal penalties for making false statement or misrepresentation, or assisting, abetting, soliciting or conspiring to do so; restitution to victims.

(A) A person who knowingly makes a false statement or misrepresentation, and any other person knowingly, with an intent to injure, defraud, or deceive, or who assists, abets, solicits, or conspires with a person to make a false statement or misrepresentation, is guilty of a:

(1) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is less than one thousand dollars. Upon conviction, the person must be fined not less than one hundred nor more than five hundred dollars or imprisoned not more than thirty days;

(2) misdemeanor, for a first offense violation, if the amount of the economic advantage or benefit received is one thousand dollars or more but less than ten thousand dollars. Upon conviction, the person must be fined not less than two thousand nor more than ten thousand dollars or imprisoned not more than three years, or both;

(3) felony, for a first offense violation, if the amount of the economic advantage or benefit received is ten thousand dollars or more but less than fifty thousand dollars. Upon conviction, the person must be fined not less than ten thousand nor more than fifty thousand dollars or imprisoned not more than five years, or both;

(4) felony, for a first offense violation, if the amount of the economic advantage or benefit received is fifty thousand dollars or more. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both;

(5) felony, for a second or subsequent violation, regardless of the amount of the economic advantage or benefit received. Upon conviction, the person must be fined not less than twenty thousand nor more than one hundred thousand dollars or imprisoned not more than ten years, or both.

(B) In addition to the criminal penalties set forth in subsection (A), a person convicted pursuant to the provisions of this section must be ordered by the court to make full restitution to a victim for any economic advantage or benefit which has been obtained by the person as a result of that violation, and to pay the difference between any taxes owed and any taxes the person paid, if applicable.

§ 38-55-170. Presenting false claims for payment.

A person who knowingly causes to be presented a false claim for payment to an insurer transacting business in this State, to a health maintenance organization transacting business in this State, or to any person, including the State of South Carolina, providing benefits for health care in this State, whether these benefits are administered directly or through a third person, or who knowingly assists, solicits, or conspires with another to present a false claim for payment as described above, is guilty of a:

- (1) felony if the amount of the claim is ten thousand dollars or more. Upon conviction, the person must be imprisoned not more than ten years or fined not more than five thousand dollars, or both;
- (2) felony if the amount of the claim is more than two thousand dollars but less than ten thousand dollars. Upon conviction, the person must be fined in the discretion of the court or imprisoned not more than five years, or both;
- (3) misdemeanor triable in magistrates court or municipal court, notwithstanding the provisions of Sections 22-3-540, 22-3-545, 22-3-550, and 14-25-65, if the amount of the claim is two thousand dollars or less. Upon conviction, the person must be fined not more than one thousand dollars, or imprisoned not more than thirty days, or both.

§ 38-55-550. Civil penalties for violations of article; costs; payment; use of revenues; Attorney General to assist Insurance Fraud Division; consent agreements.

(A) In addition to any criminal liability, any person who is found by a court of competent jurisdiction to have violated any provision of this article, including Section 38-55-170, is subject to a civil penalty for each violation as follows:

- (1) for a first offense, a fine not to exceed five thousand dollars;
- (2) for a second offense, a fine of not less than five thousand dollars but not to exceed ten thousand dollars;
- (3) for a third and subsequent offense, a fine of not less than ten thousand dollars but not to exceed fifteen thousand dollars.

(B) The civil penalty must be paid to the director of the Insurance Fraud Division to be used in accordance with subsection (D) of this section. The court may also award court costs and reasonable attorneys' fees to the director. When requested by the director, the Attorney General may assign one or more deputies attorneys general to assist the bureau in any civil court proceedings against the person.

(C) Nothing in subsections (A) and (B) shall be construed to prohibit the director of the Insurance Fraud Division and the person alleged to be guilty of a violation of this article from entering into a written agreement in which the person does not admit or deny the charges but consents to payment of the civil penalty. A consent agreement may not be used in a subsequent civil or criminal proceeding relating to any violation of this article.

(D) All revenues from the civil penalties imposed pursuant to this section must be used to provide funds for the costs of enforcing and administering the provisions of this article.

§ 16-11-110. Arson.

(A) A person who wilfully and maliciously causes an explosion, sets fire to, burns, or causes to be burned or aids, counsels, or procures a burning that results in damage to a building, structure, or any property specified in subsections (B) and (C), whether the property of the person or another, which results, either directly or indirectly, in death or serious bodily injury to a person is guilty of the felony of arson in the first degree and, upon conviction, must be imprisoned not less than thirty years.

(B) A person who wilfully and maliciously causes an explosion, sets fire to, burns, or causes to be burned or aids, counsels, or procures a burning that results in damage to a dwelling house, church or place of worship, public or private school facility, manufacturing plant or warehouse, building where business is conducted, institutional facility, or any structure designed for human occupancy including local and municipal buildings, whether the property of the person or another, is guilty of the felony of arson in the second degree and, upon conviction, must be imprisoned not less than three nor more than twenty-five years.

(C) A person commits a violation of the provisions of this subsection who wilfully and maliciously:

(1) causes an explosion, sets fire to, burns, or causes a burning which results in damage to a building or structure other than those specified in subsections (A) and (B), a railway car, a ship, boat, or other watercraft, an aircraft, an automobile or other motor vehicle, or personal property; or

(2) aids, counsels, or procures a burning that results in damage to a building or structure other than those specified in subsections (A) and (B), a railway car, a ship, boat, or other watercraft, an aircraft, an automobile or other motor vehicle, or personal property with intent to destroy or damage by explosion or fire, whether the property of the person or another.

A person who violates the provisions of this subsection is guilty of the felony of arson in the third degree and, upon conviction, must be imprisoned not more than fifteen years.

(D) For purposes of this section, “damage” means an application of fire or explosive that results in burning, charring, blistering, scorching, smoking, singeing, discoloring, or changing the fiber or composition of a building, structure, or any property specified in this section.

§ 16-13-10. Forgery.

(A) It is unlawful for a person to:

- (1) falsely make, forge, or counterfeit; cause or procure to be falsely made, forged, or counterfeited; or wilfully act or assist in the false making, forging, or counterfeiting of any writing or instrument of writing;
- (2) utter or publish as true any false, forged, or counterfeited writing or instrument of writing;
- (3) falsely make, forge, counterfeit, alter, change, deface, or erase; or cause or procure to be falsely made, forged, counterfeited, altered, changed, defaced, or erased any record or plat of land; or
- (4) willingly act or assist in any of the premises, with an intention to defraud any person.

(B) A person who violates the provisions of this section is guilty of a:

- (1) felony and, upon conviction, must be fined in the discretion of the court or imprisoned not more than ten years, or both, if the amount of the forgery is ten thousand dollars or more;
- (2) felony and, upon conviction, must be fined in the discretion of the court or imprisoned not more than five years, or both, if the amount of the forgery is less than ten thousand dollars.

(C) If the forgery does not involve a dollar amount, the person is guilty of a misdemeanor under the jurisdiction of the magistrates or municipal court, notwithstanding the provisions of Sections 22-3-540, 22-3-545, 22-3-550, and 14-25-65, and, upon conviction, must be fined in the discretion of the court or imprisoned not more than three years, or both.

§ 16-17-722. Filing of false police reports; knowledge; offense; penalties.

(A) It is unlawful for a person to knowingly file a false police report.

(8) A person who violates subsection (A) by falsely reporting a felony is guilty of a felony and upon conviction must be imprisoned for not more than five years or fined not more than one thousand dollars, or both.

(C) A person who violates subsection (A) by falsely reporting a misdemeanor is guilty of a misdemeanor and must be imprisoned not more than thirty days or fined not more than five hundred dollars, or both.

(D) In imposing a sentence under this section, the judge may require the offender to pay restitution to the investigating agency to offset costs incurred in investigating the false police report.

§ 16-11-125. Making false claim or statement in support of claim to obtain insurance benefits for fire or explosion loss.

Any person who wilfully and knowingly presents or causes to be presented a false or fraudulent claim, or any proof in support of such claim, for the payment of a fire loss or loss caused by an explosion, upon any contract of insurance or certificate of insurance which includes benefits for such a loss, or prepares, makes, or subscribes to a false or fraudulent account, certificate, affidavit, or proof of loss, or other documents or writing, with intent that such documents may be presented or used in support of such claim, is guilty of a felony and, upon conviction, must be fined not more than ten thousand dollars or imprisoned for not more than five years or both in the discretion of the court.

The provisions of this section are supplemental to and not in lieu of existing law relating to falsification of documents and penalties therefor.

§ 38-43-245. Fraudulent insurance application.

A licensed insurance producer who, with the intent to injure, defraud, or deceive any insurance company or applicant for insurance:

(1) presents or causes to be presented to any insurance company an application for insurance, knowing that the application contains any false or misleading information or omissions concerning any fact or thing material to the underwriting of the insurance for which the application is submitted, or

(2) assists, abets, solicits, or conspires with another to prepare or make an application for insurance, knowing that the application contains any false or misleading information or omissions concerning any fact or thing material to the underwriting of the insurance for which the applicant is submitted, is guilty of a felony and, upon conviction, must be punished by imprisonment for not more than five years or a fine not to exceed five thousand dollars, or both.

§ 38-43-240. Other offenses by producers.

(A) It is unlawful for a producer, collector, or other person to:

(1) undertake or pretend to represent an insurer licensed to do business in this State, or to collect or do business for the insurer without the authority of the insurer;

(2) secure cash advances by false statements; or

(3) fail to turn over or satisfactorily account for all collections of the insurer when required.

(B) A person who violates the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined in the discretion of the court or imprisoned not more than two years.

§ 38-55-580. Immunity from liability arising out of providing information concerning false statements or misrepresentations to authorized agency; malice or bad faith.

(A) A person, insurer, or authorized agency, when acting without malice or in good faith, is immune from any liability arising out of filing reports, cooperating with investigations by any authorized agency, or furnishing other information, whether written or oral, and whether in response to a request by an authorized agency or upon their own initiative, concerning any suspected, anticipated, or completed false statement or misrepresentation when such reports or information are provided to or received by any authorized agency.

(B) Nothing herein abrogates or modifies in any way common law or statutory privilege or immunity heretofore enjoyed by any person, insurer, or authorized agency.

(C) Nothing herein limits the liability of any person or insurer who, with malice or in bad faith, makes a report of suspected fraud under the provisions of this article.

(D) In addition to the immunity granted in this section, persons identified as designated employees whose responsibilities include the investigation and disposition of claims relating to suspected fraudulent insurance acts may share information relating to persons suspected of committing fraudulent insurance acts with other designated employees employed by the same or other insurers whose responsibilities include the investigation and disposition of claims relating to fraudulent insurance acts, provided the department has been given written notice of the names and job titles of these designated employees prior to any designated employee sharing information. Unless the designated employees of the insurer act in bad faith or in reckless disregard for the rights of any insured, neither the insurer nor its designated employees are civilly liable for libel, slander, or any other relevant tort, and a civil action does not arise against the insurer or its designated employees:

(1) for any information related to suspected fraudulent insurance acts provided to an insurer; or

(2) for information related to suspected fraudulent insurance acts provided to the National Insurance Crime Bureau or the National Association of Insurance Commissioners.

Provided, however, that the qualified immunity against civil liability conferred on any insurer or its designated employees shall be forfeited with respect to the exchange or publication of any defamatory information with third persons not expressly authorized by subsection (D) to share in such information.