



Fiscal Impact Statement for Proposed Legislation

Virginia Criminal Sentencing Commission

House Bill 2095 (Patron – Wyatt)

LD#: 25103040

Date: 01/07/2025

Topic: Fraudulent insurance acts

Fiscal Impact Summary:

- **State Adult Correctional Facilities:**
\$50,000 *
- **Local Adult Correctional Facilities:**
Cannot be determined
- **Adult Community Corrections Programs:**
Cannot be determined

- **Juvenile Correctional Centers:**
Cannot be determined **
- **Juvenile Detention Facilities:**
Cannot be determined **

** Provided by the Department of Juvenile Justice

* The estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities; therefore, Chapter 2 of the Acts of Assembly of 2024, Special Session I, requires the Virginia Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000.

Pursuant to § 30-19.1:4, fiscal impact statements prepared by the Virginia Criminal Sentencing Commission only include the estimated increase in operating costs associated with additional state-responsible prison beds and do not reflect any other costs or savings that may be associated with the proposed legislation.

Summary of Proposed Legislation:

The proposal adds § 18.2-213.3 to Article 7 of Chapter 6 of Title 18.2, relating to fraudulent insurance acts. The bill defines fraudulent insurance acts, which include knowingly, with the intent to injure, defraud, or deceive an insurer or insurance claimant, (i) presenting a written or oral statement containing false or misleading information in support of, or in opposition to, a claim for payment or other benefit pursuant to an insurance policy, or (ii) assisting or conspiring with another person to commit such an act. Fraudulent insurance acts would be punishable as a Class 4 felony.¹

Analysis:

Existing data sources do not contain sufficient detail to identify the number of individuals who would be affected by the proposal. However, affected offenders may be sentenced similarly to those currently convicted of a Class 4 felony under the existing § 18.2-168, forgery or uttering of a public record.

According to the Circuit Court Case Management System (CMS) for fiscal year (FY) 2023 and FY2024, 240 offenders were convicted of felonies under § 18.2-168 during the two-year period. It was the primary, or most serious, offense in 199 of the cases. Of these defendants, 55 (27.6%) did not receive any incarceration and 83 (41.7%) received a local-responsible (jail) term with a median sentence of 7.0 months. For the 51 (30.7%) who received a state-responsible (prison) term, the median sentence was 1.5 years.

¹ The proposed felonies would be eligible for the enhanced sentence credits specified in § 53.1-202.3, whereby offenders serve a minimum of 67% of the sentence ordered by the court.

Impact of Proposed Legislation:

State adult correctional facilities. By establishing a new Class 4 felony for which imprisonment is authorized, the proposal may increase the future state-responsible (prison) bed space needs of the Commonwealth. Available data do not provide sufficient detail to estimate the number of new felony convictions that may result from the proposal. Thus, the magnitude of the impact on prison bed space needs cannot be determined.

Local adult correctional facilities. Similarly, the impact of the proposal on local-responsible (jail) bed space needs cannot be determined.

Adult community corrections resources. The impact on state community corrections resources and local community-based probation services cannot be estimated.

Virginia's Sentencing Guidelines. The proposed Class 4 felony would not be covered by the Sentencing Guidelines as the primary, or most serious, offense in a case; however, such convictions could augment the Guidelines recommendation (as additional offenses) if the most serious offense at sentencing is covered by the Guidelines. The proposed felony would not be defined as violent under § 17.1-805(C) for the purposes of the Guidelines. No immediate adjustment to the Guidelines would be necessary under the proposal. If the proposal is enacted, the Sentencing Commission in the future would conduct analyses to determine the feasibility of adding the new felony to the Guidelines system.

Juvenile correctional centers. According to the Department of Juvenile Justice, the impact of the proposal on direct care (juvenile correctional center or alternative commitment placement) bed space needs cannot be determined.

Juvenile detention facilities. The Department of Juvenile Justice reports that the proposal's impact on the bed space needs of juvenile detention facilities cannot be determined.

Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities; therefore, Chapter 2 of the Acts of Assembly of 2024, Special Session I, requires the Virginia Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000.

Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation cannot be determined for periods of commitment to the custody of the Department of Juvenile Justice.