CHAPTER 2

Penalties

**SECTION 38‑2‑10.** Administrative penalties.

Section effective until January 1, 2021. See, also, Section 38‑2‑10 effective January 1, 2021.

(A) Unless otherwise specifically provided by law, the following administrative penalties apply for each violation of the insurance laws of this State or federal insurance laws subject to enforcement by the Department of Insurance:

(1) If the violator is an insurer or a health maintenance organization licensed in this State, the director or his designee shall fine the violator in an amount not to exceed fifteen thousand dollars, suspend or revoke the violator's authority to do business in this State, or both. If the violation is wilful, the director or his designee shall fine the violator in an amount not to exceed thirty thousand dollars, suspend or revoke the violator's authority to do business in this State, or both.

(2) If the violator is a person, other than an insurer or a health maintenance organization, licensed by the director or his designee in this State, the director or his designee shall fine the person in an amount not to exceed two thousand five hundred dollars, suspend or revoke the license of the person, or both. If the violation is wilful, the director or his designee shall fine the person in an amount not to exceed five thousand dollars, suspend or revoke the license of the person, or both.

(B) The penalties in subsection (A) are in addition to any criminal penalties provided by law or any other remedies provided by law. The administrative proceedings in subsection (A) do not preclude civil or criminal proceedings from taking place before, during, or after the administrative proceeding.

HISTORY: 1988 Act No. 374, Section 1; 1993 Act No. 181, Section 531; 2018 Act No. 219 (H.4657), Section 1, eff May 18, 2018.

**SECTION 38‑2‑10.** Administrative penalties.

Section effective January 1, 2021. See, also, Section 38‑2‑10 effective until January 1, 2021.

(A) Unless otherwise specifically provided by law, the following administrative penalties apply for each violation of the insurance laws of this State or federal insurance laws subject to enforcement by the Department of Insurance:

(1) If the violator is an insurer, pharmacy benefits manager, or a health maintenance organization licensed in this State, the director or his designee shall fine the violator in an amount not to exceed fifteen thousand dollars, suspend or revoke the violator's authority to do business in this State, or both. If the violation is wilful, the director or his designee shall fine the violator in an amount not to exceed thirty thousand dollars, suspend or revoke the violator's authority to do business in this State, or both.

(2) If the violator is a person, other than an insurer, pharmacy benefits manager, or a health maintenance organization, licensed by the director or his designee in this State, the director or his designee shall fine the person in an amount not to exceed two thousand five hundred dollars, suspend or revoke the license of the person, or both. If the violation is wilful, the director or his designee shall fine the person in an amount not to exceed five thousand dollars, suspend or revoke the license of the person, or both.

(B) The penalties in subsection (A) are in addition to any criminal penalties provided by law or any other remedies provided by law. The administrative proceedings in subsection (A) do not preclude civil or criminal proceedings from taking place before, during, or after the administrative proceeding.

HISTORY: 1988 Act No. 374, Section 1; 1993 Act No. 181, Section 531; 2018 Act No. 219 (H.4657), Section 1, eff May 18, 2018; 2019 Act No. 48 (S.359), Section 2, eff January 1, 2021.

Effect of Amendment

2018 Act No. 219, Section 1, inserted the (A) and (B) designators; in (A), inserted "or federal insurance laws subject to enforcement by the Department of Insurance" following "laws of this State", in (1), deleted "(a)" preceding "fine the violator" in two places and deleted "or (b)" preceding "suspend or revoke" in two places, and in (2), deleted "(a)" preceding "fine the person" in two places and deleted "or (b)" preceding "suspend or revoke" in two places; and in (B), substituted "subsection (A)" for "items (1) and (2)" in two places.

2019 Act No. 48, Section 2, in (A), in (1) and (2), in the first sentences, inserted ", pharmacy benefits manager,".

**SECTION 38‑2‑20.** Penalties for conviction of misdemeanor.

Any person convicted of a misdemeanor defined in this title must be punished by a fine of not more than two thousand five hundred dollars or by imprisonment for not more than two years, or both, unless another penalty is specifically provided by law.

HISTORY: 1988 Act No. 374, Section 1.

**SECTION 38‑2‑30.** Penalties for acting without license required by this title.

Any person who performs an act without a license required by this title is guilty of a misdemeanor and, upon conviction, must be fined not more than ten thousand dollars or imprisoned for two years, or both.

HISTORY: 1988 Act No. 374, Section 1.