§ 1033. Crimes by or affecting persons engaged in the business of insurance whose activities affect interstate commerce

(a) Whoever is engaged in the business of insurance whose activities affect interstate commerce and knowingly, with the intent to deceive, makes any false material statement or report or willfully and materially overvalues any land, property or security—

(A) in connection with any financial reports or documents presented to any insurance regulatory official or agency or an agent or examiner appointed by such official or agency to examine the affairs of such person, and

(B) for the purpose of influencing the actions of such official or agency or such an appointed agent or examiner,

shall be punished as provided in paragraph (2).

(2) The punishment for an offense under paragraph (1) is a fine as established under this title or imprisonment for not more than 10 years, or both, except that the term of imprisonment shall be not more than 15 years if the statement or report or overvaluing of land, property, or security jeopardized the safety and soundness of an insurer and was a significant cause of such insurer being placed in conservation, rehabilitation, or liquidation by an appropriate court.

(b) Whoever—

(A) acting as, or being an officer, director, agent, or employee of, any person engaged in the business of insurance whose activities affect interstate commerce, or

(B) is engaged in the business of insurance whose activities affect interstate commerce or is involved (other than as an insured or beneficiary under a policy of insurance) in a transaction relating to the conduct of affairs of such a business,

willfully embezzles, abstracts, purloins, or misappropriates any of the moneys, funds, premiums, credits, or other property of such person so engaged shall be punished as provided in paragraph (2).

(2) The punishment for an offense under paragraph (1) is a fine as provided under this title or imprisonment for not more than 10 years, or both, except that if such embezzlement, abstraction, purloining, or misappropriation described in paragraph (1) jeopardized the safety and soundness of an insurer and was a significant cause of such insurer being placed in conservation, rehabilitation, or liquidation by an appropriate court, such imprisonment shall be not more than 15 years. If the amount or value so embezzled, abstracted, purloined, or misappropriated does not exceed $5,000, whoever violates paragraph (1) shall be fined as provided in this title or imprisoned not more than one year, or both.

(c) Whoever is engaged in the business of insurance and whose activities affect interstate commerce or is involved (other than as an insured or beneficiary under a policy of insurance) in a transaction relating to the conduct of affairs of such a business, knowingly makes any false entry of material fact in any book, report, or statement of such person engaged in the business of insurance with intent to deceive any person, including any officer, employee, or agent of such person engaged in the business of insurance, any insurance regulatory official or agency, or any agent or examiner appointed by such official or agency to examine the affairs of such person, about the financial condition or solvency of such business shall be punished as provided in paragraph (2).

(2) The punishment for an offense under paragraph (1) is a fine as provided under this title or imprisonment for not more than 10 years, or both, except that if the false entry in any book, report, or statement of such person jeopardized the safety and soundness of an insurer and was a significant
cause of such insurer being placed in conservation, rehabilitation, or liquidation by an appropriate
court, such imprisonment shall be not more than 15 years.

(d) Whoever, by threats or force or by any threatening letter or communication, corruptly influences,
obejects, or impedes or endeavors corruptly to influence, obstruct, or impede the due and proper
administration of the law under which any proceeding involving the business of insurance whose
activities affect interstate commerce is pending before any insurance regulatory official or agency or
any agent or examiner appointed by such official or agency to examine the affairs of a person engaged
in the business of insurance whose activities affect interstate commerce, shall be fined as provided in
this title or imprisoned not more than 10 years, or both.

(e) (1) (A) Any individual who has been convicted of any criminal felony involving dishonesty or a
breach of trust, or who has been convicted of an offense under this section, and who willfully
engages in the business of insurance whose activities affect interstate commerce or participates
in such business, shall be fined as provided in this title or imprisoned not more than 5 years,
or both.

(B) Any individual who is engaged in the business of insurance whose activities affect
interstate commerce and who willfully permits the participation described in subparagraph
(A) shall be fined as provided in this title or imprisoned not more than 5 years, or both.

(2) A person described in paragraph (1)(A) may engage in the business of insurance or participate
in such business if such person has the written consent of any insurance regulatory official
authorized to regulate the insurer, which consent specifically refers to this subsection.

(f) As used in this section—

(1) the term “business of insurance” means—

(A) the writing of insurance, or

(B) the reinsuring of risks,

by an insurer, including all acts necessary or incidental to such writing or reinsuring and the
activities of persons who act as, or are, officers, directors, agents, or employees of insurers or who
are other persons authorized to act on behalf of such persons;

(2) the term “insurer” means any entity the business activity of which is the writing of insurance
or the reinsuring of risks, and includes any person who acts as, or is, an officer, director, agent,
or employee of that business;

(3) the term “interstate commerce” means—

(A) commerce within the District of Columbia, or any territory or possession of the United
States;

(B) all commerce between any point in the State, territory, possession, or the District of
Columbia and any point outside thereof;

(C) all commerce between points within the same State through any place outside such State;
or

(D) all other commerce over which the United States has jurisdiction; and

(4) the term “State” includes any State, the District of Columbia, the Commonwealth of Puerto
Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory
of the Pacific Islands.


Termination of Trust Territory of the Pacific Islands

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories
and Insular Possessions.