

# CORRECTIONS IMPACT STATEMENT

SESSION: 25RS BILL #: SB 24 GA

BR #: 425

BILL SPONSOR(S): Sen. R. Girdler

AMENDMENT SPONSOR(S):

TITLE: AN ACT relating to insurance fraud.

**SUMMARY OF LEGISLATION:** Amend KRS 304.47-010 to expand definition of "statement;" make technical amendments; amend KRS 304.47-020 to establish that statements that misrepresent the scope of damages associated with a property, casualty, or property and casualty insurance claim are fraudulent insurance acts; make technical amendments.

**AMENDMENT:** SCS 1 - Retain original provisions, except remove certain technical amendments and add exception for offers or counteroffers by legal counsel in a disputed claim involving bodily injury.

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This  bill  amendment  committee substitute is expected to:

Have the following Corrections impact

Have no Corrections impact.

Creates new crime(s)

Repeals existing crime(s)

Increases penalty for existing crime(s)

Decreases penalty for existing crime(s)

Increases incarceration

Decreases incarceration.

Reduces inmate/offender services

Increases inmate/offender services.

Increases staff time or positions

Reduces staff time or positions.

Changes elements of the offense for existing crime(s)

Otherwise impacts incarceration (Explain):

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**STATE IMPACT:** Class A, B, & C felonies are based on an average daily prison rate of \$122.84. Community Custody Class C and most Class D felons are housed in one of seventy-four (74) full-service or regional jails for up to five (5) years. Department of Corrections cost to incarcerate a felony inmate in jail is \$47.43 per day, which includes \$35.34 per diem, medical costs, and central office administrative costs (substance abuse treatment not included).\*

**Projected Impact:**  NONE  MINIMAL to MODERATE (< \$1 million)  SIGNIFICANT (> \$1 million)

The legislation would likely result in a minimal increase on operational costs at the state level by expanding the definition of insurance and fraudulent acts.

Class D felons are housed in a county jail, and DOC pays counties a per diem for housing those inmates. A Class D Felony sentence is 1 to 5 years.

- One (1) Class D Felon costs KY \$17,313.27 to \$86,566.34.
- Ten (10) Class D Felons cost KY \$173,132.67 to \$865,663.37.
- One hundred (100) Class D Felons cost KY \$1,731,326.74 to \$8,656,633.71.

Class C felons would still be able to serve their time in a county jail, but only if they are community custody. A Class C Felony sentence is 5 to 10 years.

- One (1) Class C Felon costs KY \$224,186.94 to \$448,373.88.
- Ten (10) Class C Felons cost KY \$2,241,869.38 to \$4,483,738.77.
- One hundred (100) Class C Felons cost KY \$22,418,693.84 to \$44,837,387.68.

Class B felons would serve time in state prison. A Class B Felony sentence is 10 to 20 years.

- One (1) Class B Felon costs KY \$448,373.88 to \$896,747.75
- Ten (10) Class B Felons cost KY \$4,483,738.77 to \$8,967,477.54
- One hundred (100) Class B Felons cost KY \$44,837,387.68 to \$89,674,775.36

There are currently 6 inmates in custody and 59 offenders on supervision for insurance fraud-related offenses. The population statistics are being provided to offer a reference for the number of offenders who commit similar crimes.

**Population counts and offender data are sourced from the Kentucky Offender Management System (KOMS). Cost to Incarcerate can be found on [corrections.ky.gov/public-information](https://corrections.ky.gov/public-information).**

**LOCAL IMPACT:** Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until the disposition of the case. The estimated impact will be based on the \$47.43 cost to incarcerate for the Department of Corrections, including \$35.34 per diem and medical that DOC pays jails to house felony offenders. This cost to incarcerate may not be the actual housing cost for the jail.\*

**Projected Impact:**  NONE  MINIMAL to MODERATE (< \$1 million)  SIGNIFICANT (> \$1 million)

The legislation would likely result in a minimal increase on operational costs at the local level by expanding the definition of insurance and fraudulent acts.

Class D felons are housed in a county jail, and DOC pays counties a per diem for housing those inmates. A Class D Felony sentence is 1 to 5 years.

- One (1) Class D Felon costs KY \$17,313.27 to \$86,566.34.
- Ten (10) Class D Felons cost KY \$173,132.67 to \$865,663.37.
- One hundred (100) Class D Felons cost KY \$1,731,326.74 to \$8,656,633.71.

A Class A misdemeanor is 90 days to 1 year in jail.

- One (1) Class A misdemeanor: \$4,269.02 to \$17,313.27
- Ten (10) Class A misdemeanors: \$42,690.25 to \$173,132.67
- One hundred (100) Class A misdemeanors: \$426,902.48 to \$1,731,326.74

There are currently 6 inmates in custody and 59 offenders on supervision for insurance fraud-related offenses. The population statistics are being provided to offer a reference for the number of offenders who commit similar crimes.

**Population counts and offender data are sourced from the Kentucky Offender Management System (KOMS). Cost to Incarcerate can be found on [corrections.ky.gov/public-information](https://corrections.ky.gov/public-information).**

**PROJECTED IMPACT FROM AMENDMENTS:**  NONE  MINIMAL to MODERATE (< \$1 million)  SIGNIFICANT (> \$1 million)

SCS 1 - There are no additional impacts from SCS 1.

GA – No additional impact

*\*All projections are based on the daily rate x 365 days x number of years. The cost to incarcerate as calculated by the Department is shown here as rounded to the hundredths. Offenders may have multiple offenses or be incarcerated on other charges unless otherwise noted. Unless otherwise noted, numbers will include inchoate offenses at the underlying offense level.*

**The following offices contributed to this Corrections Impact Statement:**

Dept. of Corrections  Dept. of Kentucky State Police  Administrative Office of the Courts  Parole Board  Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population, lengthen the term of incarceration, or impose new obligations on state or local governments.

**APPROVED BY:**   
Commissioner, Kentucky Department of Corrections

**3/4/2025**  
Date