

111TH CONGRESS  
2D SESSION

# H. R. 6066

To amend title II of the Social Security Act to provide appropriate safeguards for applicants for disability insurance benefits and other benefits based on disability under such title against inappropriate offsets of such benefits against benefits otherwise provided under private disability insurance coverage.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2010

Ms. LINDA T. SÁNCHEZ of California introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend title II of the Social Security Act to provide appropriate safeguards for applicants for disability insurance benefits and other benefits based on disability under such title against inappropriate offsets of such benefits against benefits otherwise provided under private disability insurance coverage.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Preventing Social Se-  
5       curity Fraud Act of 2010”.

1 **SEC. 2. PROTECTIONS FOR APPLICANTS FOR DISABILITY**  
2 **INSURANCE BENEFITS OR OTHER BENEFITS**  
3 **BASED ON DISABILITY AGAINST INAPPRO-**  
4 **PRIATE OFFSETS AGAINST BENEFITS UNDER**  
5 **PRIVATE DISABILITY INSURANCE COVERAGE.**

6 (a) IN GENERAL.—Section 221 of the Social Security  
7 Act (42 U.S.C. 421) is amended by adding at the end the  
8 following new subsection:

9 “(n)(1) At the time at which an insurance issuer  
10 takes any action in connection with private disability in-  
11 surance coverage provided by the issuer which constitutes  
12 a presumed entitlement benefit reduction, the issuer shall  
13 certify to the Commissioner, in such form and manner as  
14 may be prescribed by the Commissioner, that the issuer  
15 has determined that there is reasonable cause to assume  
16 that the individual is under a disability (as defined in sec-  
17 tion 223(d)) and is, or upon application would be, entitled  
18 to disability insurance benefits under section 223, or  
19 child’s, widow’s, or widower’s insurance benefits under  
20 section 202 based on disability. Such certification shall in-  
21 clude a statement (meeting such requirements as the Com-  
22 missioner may prescribe) in support of the issuer’s deter-  
23 mination.

24 “(2) For purposes of this subsection, an action taken  
25 in connection with private disability insurance coverage  
26 constitutes a presumed entitlement benefit reduction to

1 the extent that such action has the effect of reducing the  
2 benefits under such coverage of any individual covered  
3 under such coverage by reason of a failure by such indi-  
4 vidual—

5 “(A) to apply for disability insurance benefits  
6 under section 223, or child’s, widow’s, or widower’s  
7 insurance benefits under section 202 based on dis-  
8 ability, or

9 “(B) to timely request a hearing under sub-  
10 section (d) (or an administrative review prior to such  
11 a hearing) with respect to such benefits.

12 “(3) The Commissioner shall include in any applica-  
13 tion form for applying for benefits under section 223, or  
14 child’s, widow’s, or widower’s insurance benefits under  
15 section 202 based on disability, and any application form  
16 for applying for a hearing under subsection (d) (or admin-  
17 istrative review prior to such a hearing) relating to such  
18 benefits, a question regarding whether the applicant has  
19 been requested by an insurance issuer offering private dis-  
20 ability insurance coverage, or any other person on behalf  
21 of such issuer, to file the application.

22 “(4) For purposes of this subsection—

23 “(A) The term ‘private disability insurance cov-  
24 erage’ means disability insurance coverage offered in  
25 the private sector by an insurance issuer.

1           “(B) The term ‘disability insurance coverage’  
2           means cash benefits provided to individuals in the  
3           event of disability or physical or mental impairment  
4           (as defined in the terms of the policy under which  
5           such coverage is provided) under a policy, certificate,  
6           or contract offered by an insurance issuer.

7           “(C) The term ‘insurance issuer’ means an in-  
8           surance company, insurance service, or insurance or-  
9           ganization which is licensed to engage in the busi-  
10          ness of insurance in a State and which is subject to  
11          State law which regulates insurance.”.

12          (b) PENALTIES.—Section 208(a) of such Act (42  
13          U.S.C. 408(a)) is amended by inserting “or” at the end  
14          of paragraph (8), and by inserting after paragraph (8) the  
15          following new paragraph:

16                 “(9) willfully, knowingly, and with intent to de-  
17          ceive the Commissioner of Social Security—

18                         “(A) furnishes or causes to be furnished  
19                         false information in a certification required  
20                         under section 221(n)(1); or

21                         “(B) fails to timely provide such certifi-  
22                         cation;”.

23          (c) EFFECTIVE DATE.—The amendments made by  
24          this section shall apply with respect to private disability

- 1 insurance coverage for periods beginning on or after Janu-
- 2 ary 1, 2011.

