224 N.J. 102

STATE of New Jersey, Plaintiff–Appellant,

v.

Robert GOODWIN (a/k/a Robert Ebbs, Michael Kink, Robert James, Kenny Roberts, Frank Kirk, Michael Kirk, Michael Robinson, Michael Robertson, Robert E. Goodwin, Robert Kirk, Robert Goodman, Michael Goodwin and Ronald Robinson), Defendant–Respondent.

Supreme Court of New Jersey.

Argued Nov. 10, 2015.

Decided Jan. 19, 2016.

Background: Defendant was convicted in the Superior Court, Law Division, Essex County, of second-degree insurance fraud. Defendant appealed. The Superior Court, Appellate Division, 2014 WL 1613446, reversed. State petitioned for certification.

Holdings: The Supreme Court, Albin, J., held that:

(1) false statements that had capacity to influence insurer were sufficient to support insurance fraud conviction, and

(2) insurance fraud conviction was not inconsistent with defendant's acquittal on charges of arson and theft by deception.

Reversed and remanded.

1. Insurance ⚿3640, 3654

False statements that had capacity to influence insurance company's decision to pay automobile insurance claim, rather than statements that were actually relied upon by insurance company, were sufficient to support insurance fraud conviction; insurance fraud statute contained no language stating that criminal liability was dependent on actual reliance on false statements, and legislature clearly did not intend for person, who knowingly filed false statement that could have reasonably affected decision of insurance carrier to pay a claim, to evade criminal prosecution merely because carrier's thorough investigation revealed fraud before money passed hands. N.J.S.A. 2C:21–4.6(a).

2. Criminal Law ⚿1139

In construing the meaning of a statute, the Supreme Court's review is de novo.

3. Statutes ⚿1091, 1153

In construing a statute, the Supreme Court must ascribe to the statutory words their ordinary meaning and significance and view those words in context, rather than in a vacuum, so as to give sense to the legislation as a whole.

4. Perjury ⚿11(2)

In the perjury context, to be material, a false statement does not have to actually corrupt the outcome of a proceeding; it is enough if the false statement has the potential to affect the course or outcome of the proceeding. N.J.S.A. 2C:28–1(b).

5. Statutes ⚿1072

In construing a statute, the Supreme Court's paramount goal is to give effect to the legislature's intent.

6. Criminal Law ⚿878(4)

Defendant's acquittal on theft by deception and arson charges arising when his girlfriend's vehicle was found severely damaged as result of arson fire was not inconsistent with his insurance fraud conviction, based on his false statement to insurance investigator that the vehicle had been stolen; false statements concerning the theft of the vehicle could have reasonably affected insurer's decision to pay the damage claim caused by the arson, and its decision whether to pay the claim was not dependent on its ability to prove beyond a

reasonable doubt that defendant was involved in the arson. N.J.S.A. 2C:21–4.6(a).

7. Criminal Law ⇨878(4)

Courts accept inconsistent verdicts in the criminal justice system, understanding that jury verdicts may result from lenity, compromise, or even mistake.

8. Criminal Law ⇨878(4)

When reviewing inconsistent verdicts, courts determine whether the evidence in the record was sufficient to support a conviction on any count on which the jury found the defendant guilty.

Frank J. Ducoat, Special Deputy Attorney General/Acting Assistant Prosecutor, argued the cause for appellant (Carolyn A. Murray, Acting Essex County Prosecutor, attorney).

Linda Mehling, Designated Counsel, argued the cause for respondent (Joseph E. Krakora, Public Defender, attorney).

Justice ALBIN delivered the opinion of the Court.

[104]A jury found defendant Robert Goodwin guilty of second-degree insurance fraud, *N.J.S.A.* 2C:21–4.6. In doing so, the jury necessarily concluded that defendant knowingly made or caused to be made false statements of material fact concerning an insurance claim for damage to his girlfriend's sport utility vehicle (SUV). The heart of the State's case was that defendant falsely reported the theft of his girlfriend's vehicle, which was found severely damaged as the result of arson. The insurance company discovered the lie during an investigation when defendant recanted his earlier story that his girlfriend's SUV had been stolen. As a result, the carrier did not reimburse the loss.

The Appellate Division overturned defendant's conviction because the jury was not told that a finding of insurance fraud could be returned only if the carrier actually relied on defendant's false statements. In the Appellate Division's view, the trial court erred by charging a relaxed standard—that guilt could be found if the false statements had the capacity to influence the insurance company's decision to pay the claim.

We now reverse. A person violates the insurance fraud statute, *N.J.S.A.* 2C:21–4.6(a), even if he does not succeed in duping an insurance carrier into paying a fraudulent claim. A false statement[105] of material fact is one that has the capacity to influence a decision-maker in determining whether to cover a claim. If the falsehood is discovered during an investigation but before payment of the claim, a defendant is not relieved of criminal responsibility. Here, defendant falsely reported that his girlfriend's vehicle was stolen. It was for the jury to determine whether the series of false statements about the theft generated by defendant had the capacity to influence the insurance carrier in deciding whether to reimburse for the damage caused by the arson.

Because we conclude that the trial court did not err in its charge to the jury, we reinstate defendant's conviction.

I.

A.

Defendant was charged in a three-count indictment with second-degree aggravated arson, *N.J.S.A.* 2C:17–1(a)(2); third-degree attempted theft by deception, *N.J.S.A.* 2C:20–4 and *N.J.S.A.* 2C:5–1; and second-degree insurance fraud, *N.J.S.A.* 2C:21–4.6. The record in this case consists of the testimony presented by the

State and defendant during a four-day jury trial.

Defendant and "Stacey" had been involved in a romantic relationship since 2004 and lived together on the third floor of an apartment at 303 South 11th Street in Newark, New Jersey.[1] In April 2009, Stacey purchased an SUV, a 1999 Chevy Tahoe, which cost over $6000. Stacey made a $3000 down payment and financed the remainder through a loan. Defendant co-signed the loan. The loan payments on the SUV were approximately $282 per month. Stacey secured automobile insurance from Progressive Insurance Company. The automobile insurance payments were $283 per month. Because Stacey had only a permit to drive, defendant was the primary operator of the SUV.

|106 In 2008, defendant secretly began dating "Linda," who lived in the same apartment building as Stacey's mother on South 8th Street in Newark.

On September 13, 2009, defendant was residing in a first-floor apartment at 303 South 11th Street, following an argument with Stacey. That evening, defendant took the SUV, which was typically parked in front of the South 11th Street building, and went to Linda's apartment. The two then drove to a cookout and arrived back at Linda's home shortly after 3:00 a.m. They parked the SUV on South 9th Street, away from Linda's apartment, to avoid detection by Stacey's mother. Defendant spent the night at Linda's apartment.

According to Linda's testimony, between 6:30 a.m. and 7:00 a.m., she and defendant walked to the SUV because he was going to drive her to work. They found the vehicle severely damaged due to a fire. Linda proceeded to work, and defendant went to Stacey's apartment to report the destruction of the SUV.

Stacey testified that she had last seen the SUV parked outside of her apartment at about 9:30 p.m. or 10:00 p.m. the previous evening. Defendant told Stacey that the SUV had been stolen and "burnt" up and advised her to call the police, which she did. Defendant and Stacey met officers of the Newark Police and Fire Departments at the vehicle's location on South 9th Street. There, Detective Anthony Graves, an arson investigator with the Newark Fire Department, instructed them to meet him at his office later that morning. Stacey described the SUV as "burnt to a crisp in the inside."

Earlier that morning, at approximately 4:30 a.m., Detective Graves had responded to the scene when the interior of the SUV was ablaze. City firefighters quickly extinguished the fire. Detective Graves observed that the SUV's windows were broken and a screwdriver had been used to tamper with the driver's side door lock. The ignition, however, was not damaged. The SUV's anti-theft device prevented the operation of the vehicle without the ignition key. Other than the damage caused by the fire, the |107 vehicle was intact. Detective Graves concluded that whoever took the vehicle had the ignition key and that the fire was intentionally set using gasoline.

Later that morning, defendant and Stacey met Detective Graves at his office. Defendant and Stacey completed separate questionnaires in which they attested that the SUV had been parked in front of 303 South 11th Street at 3:30 a.m. In his investigation report, Detective Graves concluded that the vehicle had been stolen.

1. We use fictitious names for the two women who shared a relationship with defendant to protect their privacy.

That same day, Stacey filed a theft and fire claim with her automobile carrier, Progressive Insurance Company. The carrier initiated an investigation into the claim.

On April 12, 2010, Michael Goldman, of the Special Investigation Unit at Progressive, examined both defendant and Stacey under oath regarding the claim. In response to questioning, defendant claimed that he had the only set of keys to the SUV and that he had parked the vehicle in front of the South 11th Street apartment on the evening it was stolen. Investigator Goldman advised defendant that the SUV could not have been operated without the keys. Shortly thereafter, defendant admitted that he had parked the SUV in the spot where it was found in flames. Defendant explained that he lied about the location where he had parked the SUV so that Stacey would not learn that he had been cheating on her. Defendant denied that he had set the vehicle on fire.

According to Investigator Goldman, "based on the misrepresentation of the total facts of what happened, there was no way anything could be verified." Ultimately, Progressive denied the claim based on defendant's misrepresentations about the theft.

B.

In instructing the jury on the law, the trial court charged that a person is guilty of insurance fraud if he "knowingly makes or causes to be made a false ... or misleading statement of material fact ... in connection with a claim for payment, reimbursement, [108] or other benefit from an insured's company." The charge mirrored *Model Jury Charge (Criminal),* "Insurance Fraud: Making False Statement (Claims)" (2010). In particular, the court instructed the jury that "[a]n insured's misstatement is material if when the statement was made, a reasonable insurer would have considered the misrepresented [fact] relevant to its concerns and important in determining its course of action." The court added that "the statement of fact is material if it could have reasonably affected the decision by an insurance company ... to pay a claim."

The jury found defendant guilty of second-degree insurance fraud, but not guilty of arson and attempted theft. Defendant was sentenced to a seven-year prison term and ordered to pay fines and penalties.

C.

The Appellate Division reversed defendant's insurance-fraud conviction. In an unpublished opinion, the panel held that defendant was "wrongfully convicted" because the jury charge "did not accurately reflect the facts and issues."

The panel maintained that the case involved two separate insurance claims, "the theft claim and the fire damage claim," and that any false statement had to correspond to one of those claims. It reasoned that the allegedly false statement that the SUV was stolen "was relevant only to the theft claim" and that the allegedly false statement that defendant did not set fire to the vehicle "was relevant only to the fire damage claim." The panel asserted that defendant was not guilty of insurance fraud on the theft claim because Progressive knew that the SUV was not stolen and did not pay the claim. On the fire-damage claim, it determined that defendant's assertion that he did not set fire to the SUV was not a false statement unless the jury convicted him of the arson or theft charges. In view of defendant's acquittal of those charges, the panel stated that "defendant could not be convicted of insurance fraud because he made no false statement of material fact that affected Progressive's liability to provide coverage for

or pay the [109]fire damage claim." In concluding that "defendant was wrongfully convicted of a crime he did not commit," the panel, in effect, entered a judgment of acquittal on the insurance-fraud charge.

We granted the State's petition for certification. *State v. Goodwin*, 220 *N.J.* 42, 101 *A.*3d 1083 (2014).

II.

A.

The State argues that the Appellate Division erred in two significant ways. First, the State contends that the panel's decision stands for the erroneous proposition that "a misrepresentation is only 'material' if it somehow prejudices the insurance company"—that is, if the carrier "reimburse[s] defendant for his fraudulent claims." The State maintains that the question is not "whether an insured's false statements *actually* affected the insurer's liability" to pay a claim, but only whether "the person made false statements that *could have* affected the judgment" of a reasonable insurer in resolving the claim.

Second, the State asserts that the appellate panel wrongly concluded that, under *N.J.S.A.* 2C:21–4.6(a), a conviction of insurance fraud required that the jury first find defendant guilty of the predicate offense of arson or theft by deception.

B.

In response, defendant counters that *N.J.S.A.* 2C:21–4.6(a) requires the State to prove that an insurance company suffered prejudice to secure a conviction for insurance fraud. Defendant emphasizes that although a false statement of "material fact" is undefined in *N.J.S.A.* 2C:21–4.6(a), the Legislature did not intend to broadly criminalize conduct that did not cause or threaten harm, a point he claims is made clear by the statute's de minimis provision. To the extent that the term "material" is ambiguous, defendant argues that a criminal "statute must be construed against the State."

[110]Defendant contends that Progressive did not suffer prejudice or incur liability from his false statement that the SUV was stolen because, in fact, the vehicle was not stolen and because the authorities knew where the SUV was located before the report of the theft. He also asserts that the jury verdict acquitting him of arson and theft by deception was a validation of the truthfulness of his statement that he did not set the SUV on fire. In sum, defendant urges that we affirm the Appellate Division and "hold that a misrepresentation to an insurance company that neither prejudices it, nor exposes it to liability, does not satisfy the material-misrepresentation element of insurance fraud."

III.

[1] Our primary task is to determine whether a defendant can be convicted of insurance fraud under *N.J.S.A.* 2C:21–4.6(a) even when an insurance carrier is not induced by a false statement to pay a damage claim. Stated differently, can a defendant be convicted of insurance fraud if the false statement is capable of influencing a reasonable examiner to pay a claim even though the carrier ultimately denies the claim?

[2] The answer to this question depends on how we interpret the language of *N.J.S.A.* 2C:21–4.6(a), and in particular the words "a false . . . statement of material fact." "In construing the meaning of a statute, our review is *de novo*." *Murray v. Plainfield Rescue Squad*, 210 *N.J.* 581, 584, 46 *A.*3d 1262 (2012) (citing *Manalapan Realty, L.P. v. Twp. Comm.*, 140 *N.J.*

366, 378, 658 *A.*2d 1230 (1995)). Accordingly, the Appellate Division's interpretative conclusions are owed no deference, and we review the statute with "fresh eyes." *Fair Share Hous. Ctr., Inc. v. N.J. State League of Municipalities,* 207 *N.J.* 489, 493 n. 1, 25 *A.*3d 1063 (2011).

We begin our analysis with the language of the statute.

[11] IV.

A.

The insurance-fraud statute, *N.J.S.A.* 2C:21–4.6(a), in relevant part, provides:

> A person is guilty of the crime of insurance fraud if that person knowingly makes, or causes to be made, a false, fictitious, fraudulent, or misleading statement of *material fact* in, or omits a *material fact* from, or causes a *material fact* to be omitted from, any record, bill, claim or other document, in writing, electronically, orally or in any other form, that a person attempts to submit, submits, causes to be submitted, or attempts to cause to be submitted as part of, in support of or opposition to or in connection with: (1) a claim for payment, reimbursement or other benefit pursuant to an insurance policy, or from an insurance company.
>
> [(Emphasis added).]

Pruned to the language relevant to this case, the statute states that a defendant "is guilty of the crime of insurance fraud if [he] knowingly makes, or causes to be made ... a false ... statement of material fact ... as part of ... a claim for payment ... pursuant to an insurance policy." *Ibid.*

First, the statute contains no language stating that criminal liability is dependent on an insurance company actually relying on a false statement and suffering a loss. *Cf. N.J.S.A.* 2C:20–3 ("A person is guilty of theft if he unlawfully takes ... movable property of another with purpose to deprive him thereof."). Rather, the statute merely requires the knowing submission of a false or fraudulent statement of material fact for criminal liability to attach.

Second, the term "material" is not defined in *N.J.S.A.* 2C:21–4.6 or in the definitional provision of the insurance-fraud statute, *N.J.S.A.* 2C:21–4.5. Unsurprisingly, the parties contest the meaning of a "material fact" as used in the statute. Defendant argues that a false statement of "material fact" is one that causes an insurance company to suffer prejudice or incur liability. Because Progressive did not pay the damage claim, defendant submits that he cannot be convicted of insurance fraud.

[12] [3] We believe that such a constricted interpretation of "material fact" is not consistent with either the common understanding or usage of that term or its intended purpose within the insurance-fraud statute. In construing *N.J.S.A.* 2C:21–4.6(a), we must "ascribe to the statutory words their ordinary meaning and significance" and view those words in context, rather than in a vacuum, "so as to give sense to the legislation as a whole." *State v. Crawley,* 187 *N.J.* 440, 452, 901 *A.*2d 924 (quoting *DiProspero v. Penn,* 183 *N.J.* 477, 492, 874 *A.*2d 1039 (2005)), *cert. denied,* 549 *U.S.* 1078, 127 *S.Ct.* 740, 166 *L.Ed.*2d 563 (2006).

[4] Although "material" is not defined in the insurance-fraud statute, it is defined in another section of the Code of Criminal Justice (Code)—the perjury statute. *N.J.S.A.* 2C:28–1(a) states that "[a] person is guilty of perjury ... if in any official proceeding he makes a false statement under oath or equivalent affirmation ... when the statement is *material* and he does not believe it to be true." (Emphasis added). The meaning of material is

spelled out in *N.J.S.A.* 2C:28–1(b), which provides that a "[f]alsification is material . . . if it could have affected the course or outcome of the proceeding or the disposition of the matter." Thus, in the perjury context, to be material, a false statement does not have to actually corrupt the outcome of a proceeding; it is enough if the false statement has the potential to "affect[ ] the course or outcome of the proceeding." *Ibid.* Even under common-law perjury, the focus on materiality concerned "the *potential* effect of the false testimony on the outcome of the judicial proceeding." *State v. Neal*, 361 *N.J.Super.* 522, 533, 826 *A.*2d 723 (App.Div.2003) (emphasis added) (quoting *State v. Winters*, 140 *N.J.Super.* 110, 118, 355 *A.*2d 221 (Cty.Ct.1976)). The 1971 comments to the perjury statute, *N.J.S.A.* 2C:28–1, explained that in defining "materiality," the Code's "formulation ('could have affected the course or outcome of the proceeding') is equivalent to the 'capable of influencing' rule found in many judicial opinions." 2 *New Jersey Penal Code: Final Report of the New Jersey Law Commission* § 2C:28–1, commentary at 271 (1971).

[113]This definition of materiality finds support in other contexts. For example, the federal false-statements statute, 18 *U.S.C.A.* § 1001(a)(2), makes it a crime for a person to "knowingly and willfully . . . make[ ] any materially false, fictitious, or fraudulent statement or representation" to a federal officer or body. The common understanding among federal courts that have construed statutes criminalizing false statements, such as 18 *U.S.C.A.* § 1001, is that a material misrepresentation is one that " 'has a natural tendency to influence, or was capable of influencing, the decision of' the decisionmaking body to which it was addressed." *Kungys v. United States*, 485 *U.S.* 759, 770, 108 *S.Ct.* 1537, 1546, 99 *L.Ed.*2d 839, 852 (1988) (quoting *Weinstock v. United States*, 231 *F.*2d 699, 701 (D.C.Cir.1956)).

Consistent with the definition of material misrepresentation in our state perjury statute and the federal false-statements statute is one of the legal definitions of "material" in *Black's Law Dictionary* 1124 (10th ed.2014)—"[o]f such a nature that knowledge of the item would affect a person's decision-making"—and the general definition of "material" in *Webster's New World College Dictionary* 900 (5th ed.2014)—"important enough to affect the outcome of a case, the validity of a legal instrument."

We can fairly presume that the Legislature, when enacting the insurance-fraud statute in 2003, was aware of the definition of "material" false statement in the much earlier-enacted perjury statute and in other contexts. *See In re Expungement Petition of J.S.*, 223 *N.J.* 54, 75, 121 *A.*3d 322 (2015) ("[The Legislature] is presumed to [be] 'thoroughly conversant with its own [prior] legislation and the judicial construction of its statutes.' " (third alteration in original) (quoting *Nebesne v. Crocetti*, 194 *N.J.Super.* 278, 281, 476 *A.*2d 858 (App. Div.1984))). It is highly improbable that the Legislature intended an entirely different meaning, one that would conflict with the broad objectives of the statutory scheme criminalizing insurance fraud.

The Legislature set forth its purpose in criminalizing insurance fraud in the statute itself. The Legislature declared that "[i]n-sur[114]ance fraud is inimical to public safety, welfare and order within the State of New Jersey" and that "[a]ll New Jerseyans ultimately bear the societal burdens and costs caused by those who commit insurance fraud," *N.J.S.A.* 2C:21–4.4(a); that "[t]he problem of insurance fraud must be confronted aggressively by facilitating the detection, investigation and prosecution of such misconduct," *N.J.S.A.* 2C:21–4.4(b);

and that the "prosecution of criminally culpable persons who knowingly commit or assist or conspire with others in committing fraud against insurance companies" is necessary "to punish wrongdoers and to appropriately deter others from such illicit activity," *N.J.S.A.* 2C:21–4.4(c).

[5] Those objectives strongly suggest that the Legislature did not intend a crabbed definition of the term "false statement of material fact"—one that would limit the scope of criminal prosecutions to only those cases in which a fraudster succeeded in inducing an insurance company to pay a false claim but not to those cases in which the fraudster was caught beforehand. In construing a statute, our paramount goal is to give effect to the Legislature's intent. *DiProspero, supra,* 183 *N.J.* at 492–93, 874 *A.*2d 1039. The Legislature clearly did not intend for a person, who knowingly filed a false statement that could have reasonably affected the decision of an insurance carrier to pay a claim, to evade criminal prosecution merely because the carrier's thorough investigation revealed the fraud before money passed hands. The statute contains no provision stating that the carrier must rely on the misrepresentation to its detriment for criminal liability to attach. Regardless, investigations spurred by false statements necessarily result in the expenditure of a carrier's resources that eventually lead to increased insurance costs passed on to consumers.

The provision in the insurance-fraud statute, allowing for an assignment judge to dismiss a charge based on a de minimis infraction, *N.J.S.A.* 2C:21–4.6(g), is not proof, as defendant suggests, that the Legislature intended that an insurance carrier must actually rely on a misrepresentation as a prerequisite for an 115 insurance-fraud conviction. The de minimis provision acts as a safety valve, permitting dismissal of a charge that is too trivial to warrant prosecution. So, for example, if the conduct "[d]id not actually cause or threaten the harm or evil sought to be prevented by the law defining the offense or did so only to an extent too trivial to warrant the condemnation of conviction," an assignment judge may dismiss a prosecution. *N.J.S.A.* 2C:2–11(b); *see, e.g., State v. Nevens,* 197 *N.J.Super.* 531, 534, 485 *A.*2d 345 (Law Div.1984) (dismissing charge against defendant for taking five pieces of fruit from buffet-style restaurant after defendant had paid for lunch). A fraudulent reimbursement claim seeking more than $6000 for damage to a vehicle is not a trivial infraction.

The definition of material in *Model Jury Charge (Criminal),* "Insurance Fraud: Making False Statement (Claims)" (2010) is consistent with the way that term is defined in our state perjury statute, in multiple federal statutes, in the common law, and in legal and general dictionaries. The Model Charge states that a misstatement

> is material if, when the statement was made, a reasonable insurer would have considered the misrepresented fact relevant to its concerns and important in determining its course of action. In other words, *the statement of fact is material if it could have reasonably affected the decision by an insurance company to provide insurance coverage to a claimant or the decision to provide any benefit pursuant to an insurance policy or the decision to provide reimbursement or the decision to pay a claim.* [*Ibid.* (emphasis added) (footnote omitted).]

As a whole, this Model Charge, given by the trial court, correctly defines a "material fact" under the insurance-fraud statute. However, going forward, the emphasized portion above is a more precise explication

of the term "material" for purposes of this statute and should be solely used to avoid any confusion and to focus the jury's task as finder of fact.[2]

B.

[6] We reject the Appellate Division's conclusion that a conviction of insurance fraud required a predicate finding by the jury that defendant was guilty beyond a reasonable doubt of arson or theft by deception. The acquittals of arson and theft by deception reveal nothing more than that the State failed to meet the high standard of proof required in a criminal prosecution of those offenses. To find defendant guilty of knowingly making a false statement of material fact for reimbursement on an insurance claim did not require predicate convictions. Therefore, we see no inconsistency between the verdicts.

[7, 8] However, even if the verdicts were inconsistent, the acquittals are not a basis to attack collaterally the guilty verdict of insurance fraud. We accept inconsistent verdicts in our criminal justice system, understanding that jury verdicts may result from lenity, compromise, or even mistake. *State v. Banko,* 182 *N.J.* 44, 53, 861 *A.*2d 110 (2004) (citing *State v. Grey,* 147 *N.J.* 4, 11, 685 *A.*2d 923 (1996)). We therefore must resist the temptation to speculate on how the jury arrived at a verdict. *Ibid.* Rather, "we determine whether the evidence in the record was sufficient to support a conviction on any count on which the jury found the defendant guilty." *State v. Muhammad,* 182 *N.J.* 551, 578, 868 *A.*2d 302 (2005).

Here, the false statements made and caused to be made by defendant concerning the theft of the SUV could have reasonably affected the decision by Progressive to pay the damage claim caused by the arson. As Progressive's investigator testified at trial, the lie that the SUV was stolen infected the credibility of the entire claim, including defendant's denials that he was not involved in setting the vehicle on fire. The decision whether to pay the claim was not dependent on the insurance carrier's ability to prove beyond a reasonable doubt that defendant was involved in the arson. Additionally, Progressive did not have to believe defendant's account given to Investigator Goldman that the reason for his lie was to cover up a romantic relationship. Progressive was entitled to infer that, once caught in a material lie, the remainder of his claims could not be believed. Based on the evidence, a rational jury was free to conclude that defendant's knowingly made false statements could have reasonably affected Progressive's decision whether to pay the claim.

V.

For the reasons expressed, we reverse the judgment of the Appellate Division, which vacated the jury verdict convicting

2. The non-emphasized language in the model criminal jury charge comes from *Longobardi v. Chubb Insurance Co. of New Jersey,* a civil case defining "material" in a "Concealment or Fraud" clause in an insurance policy. 121 *N.J.* 530, 541–42, 582 *A.*2d 1257 (1990). In *Longobardi,* the insurer declined coverage on a loss claim because of an insured's alleged material misrepresentations. *Id.* at 534–36, 582 *A.*2d 1257. We explained that "[a]n insured's misstatement is material if when made a reasonable insurer would have considered the misrepresented fact relevant to its concerns and important in determining its course of action." *Id.* at 542, 582 *A.*2d 1257. We do not disavow that interpretation in the context of that insurance-coverage case. However, in the context of the present criminal case, a single, precise definition of a statement of material fact will give a greater degree of clarity in guiding the jury's task under the insurance-fraud statute.

defendant of second-degree insurance fraud. Defendant's insurance-fraud conviction is therefore reinstated. We remand to the trial court for entry of judgment consistent with this opinion.

For reversal/reinstatement/remandment—Chief Justice RABNER and Justices LaVECCHIA, ALBIN, PATTERSON, SOLOMON and Judge CUFF (temporarily assigned)—6.

Not Participating—Justice FERNANDEZ–VINA.