

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Insurance Claims Fraud Prevention Act is
5 amended by changing Section 25 as follows:

6 (740 ILCS 92/25)

7 Sec. 25. Costs and proceeds of action.

8 (a) If the State's Attorney or Attorney General proceeds
9 with an action brought by a person under Section 15, that
10 person is entitled to receive an amount that the court
11 determines is reasonable based upon the extent to which the
12 person contributed to the prosecution of the action. Subject to
13 subsection (d), the amount awarded to the person who brought
14 the action shall not be less than 30% of the proceeds of the
15 action or settlement of the claim, and shall be paid from the
16 proceeds.

17 (b) If the State's Attorney or Attorney General does not
18 proceed with an action brought by a person under Section 15,
19 that person shall receive an amount that the court decides is
20 reasonable for collecting the civil penalty and damages.
21 Subject to subsection (d), the amount shall not be less than
22 40% of the proceeds of the action or settlement, and shall be
23 paid from the proceeds.

1 (c) If the person bringing the action as a result of a
2 violation of this Act has paid money to the defendant or to an
3 attorney acting on behalf of the defendant in the underlying
4 claim, then he or she shall be entitled to up to double the
5 amount paid to the defendant or the attorney if that amount is
6 greater than 50% of the proceeds.

7 (d) Where the action is one that the court finds to be
8 based primarily on disclosures of specific information, other
9 than information provided by the person bringing the action
10 under Section 15, relating to allegations or transactions in a
11 criminal, civil, or administrative hearing, in a legislative or
12 administrative report, hearing, audit, or investigation, or
13 from the news media, the court may award those sums that it
14 considers appropriate, but in no case more than 10% of the
15 proceeds, taking into account the significance of the
16 information and the role of the person bringing the action in
17 advancing the case to litigation.

18 (e) Any payment to a person under subsection (a), (b), (c),
19 or (d) shall be made from the proceeds. The person shall also
20 receive an amount for reasonable expenses that the court finds
21 to have been necessarily incurred, plus reasonable attorney's
22 fees and costs. All of those expenses, fees, and costs shall be
23 awarded against the defendant.

24 (f) If a local State's Attorney has proceeded with an
25 action under this Act, the Treasurer of the County where the
26 action was brought shall receive an amount for reasonable

1 expenses that the court finds to have been necessarily incurred
2 by the State's Attorney, including reasonable attorney's fees
3 and costs, plus 50% of the funds not awarded to a private
4 party. Those amounts shall be used to investigate and prosecute
5 insurance fraud, augmenting existing budgets rather than
6 replacing them. All remaining funds shall go to the State and
7 be deposited in the General Revenue Fund and, when
8 appropriated, shall be allocated to appropriate State agencies
9 for enhanced insurance fraud investigation, prosecution, and
10 prevention efforts.

11 (g) If the Attorney General has proceeded with an action
12 under this Act, all funds not awarded to a private party, shall
13 go to the State and be deposited in the General Revenue Fund
14 and, when appropriated, shall be allocated to appropriate State
15 agencies for enhanced insurance fraud investigation,
16 prosecution, and prevention efforts.

17 (h) If neither a local State's Attorney or the Attorney
18 General has proceeded with an action under this Act, 50% of the
19 funds not awarded to a private party shall be deposited with
20 the Treasurer of the County where the action was brought and
21 shall be disbursed to the State's Attorney of the County where
22 the action was brought. Those funds shall be used by the
23 State's Attorney solely to investigate, prosecute, and prevent
24 crime ~~insurance fraud~~, augmenting existing budgets rather than
25 replacing them. All remaining funds shall go to the State and
26 be deposited in the General Revenue Fund and, when

1 appropriated, shall be allocated to appropriate State agencies
2 for enhanced crime ~~insurance fraud~~ investigation, prosecution,
3 and prevention efforts.

4 (i) Whether or not the State's Attorney or Attorney General
5 proceeds with the action, if the court finds that the action
6 was brought by a person who planned and initiated the violation
7 of this Act, that person shall be dismissed from the civil
8 action and shall not receive any share of the proceeds of the
9 action. The dismissal shall not prejudice the right of the
10 State's Attorney or Attorney General to continue the action on
11 behalf of the State.

12 (j) If the State's Attorney or Attorney General does not
13 proceed with the action, and the person bringing the action
14 conducts the action, the court may award to the defendant its
15 reasonable attorney's fees and expenses if the defendant
16 prevails in the action and the court finds that the claim of
17 the person bringing the action was clearly frivolous, clearly
18 vexatious, or brought primarily for purposes of harassment.

19 (Source: P.A. 92-233, eff. 1-1-02.)