



Sen. Napoleon Harris, III

Filed: 4/8/2021

10200SB2408sam001

LRB102 11366 BMS 24754 a

1 AMENDMENT TO SENATE BILL 2408

2 AMENDMENT NO. _____. Amend Senate Bill 2408 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 532, 538, and 538.7 as follows:

6 (215 ILCS 5/532) (from Ch. 73, par. 1065.82)
7 Sec. 532. Purpose.

8 (a) The purpose of this Article is to provide a mechanism
9 for the payment of covered claims under certain insurance
10 policies, to avoid excessive delay in payment of covered
11 claims, to avoid financial loss to claimants or policyholders
12 because of the entry of an Order of Liquidation against an
13 insolvent company, including through services offered to the
14 Director in her or his capacity as receiver under Article XIII
15 of this Code that relate to covered claims, and to provide a
16 Fund to assess among member companies the costs ~~cost~~ of such

1 protection and maintain the continuity and self-sufficient
2 operation of the Fund, and to offset the costs associated with
3 maintaining the Fund's continuity and self-sufficient
4 operations when practical by providing assistance and services
5 to the Director in her or his capacity as receiver under
6 Article XIII of this Code as described in this Section ~~among~~
7 ~~member companies.~~

8 (b) The purpose of this Article is also to provide a
9 mechanism for the Fund to participate in and facilitate the
10 process by which the assets of an insolvent company are
11 marshaled and distributed pursuant to Article XIII of this
12 Code beyond reimbursing the cost of covered claims. This
13 subsection (b) is inoperative 5 years after the effective date
14 of this amendatory Act of the 102nd General Assembly.

15 (Source: P.A. 85-576.)

16 (215 ILCS 5/538) (from Ch. 73, par. 1065.88)

17 Sec. 538. Powers of the Fund. The Fund shall have the
18 powers enumerated in the Sections following this Section and
19 preceding Section 539 ~~538.1 through 538.8.~~

20 (Source: P.A. 77-305.)

21 (215 ILCS 5/538.7) (from Ch. 73, par. 1065.88-7)

22 Sec. 538.7. (a) The Fund may perform such other acts as are
23 necessary or proper to effectuate the purposes of this
24 Article.

1 (b) The Fund may contract with the Office of Special
2 Deputy Receiver or any other person or organizations
3 authorized by law to carry out the duties of the Director in
4 her or his capacity as a receiver under Article XIII of this
5 Code. The power of the Fund to contract with these persons or
6 entities includes, but is not limited to, providing consulting
7 services and claims administration services that assist with
8 these persons or entities in the performance of their
9 respective statutory and legal functions provided by law. The
10 Fund may only exercise the authority to contract pursuant to
11 this subsection upon the board of director's written
12 determination that the provisioning of such services will
13 advance the purposes set forth in Section 532. Any contract
14 the Fund may enter into to provide services pursuant to this
15 subsection shall be subordinate and subject to the Fund's
16 statutory obligations to timely pay covered claims and avoid
17 financial loss to claimants or policyholders described in this
18 Article.

19 This subsection (b) is inoperative 5 years after the
20 effective date of this amendatory Act of the 102nd General
21 Assembly.

22 (Source: P.A. 82-210.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."