

1 AN ACT concerning insurance.

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

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Sections 143a, 143d, 154.5, and 155 as follows:

6 (215 ILCS 5/143a) (from Ch. 73, par. 755a)

7 Sec. 143a. Uninsured and hit and run motor vehicle  
8 coverage.

9 (1) No policy insuring against loss resulting from  
10 liability imposed by law for bodily injury or death suffered  
11 by any person arising out of the ownership, maintenance or  
12 use of a motor vehicle that is designed for use on public  
13 highways and that is either required to be registered in this  
14 State or is principally garaged in this State shall be  
15 renewed, delivered, or issued for delivery in this State  
16 unless coverage is provided therein or supplemental thereto,  
17 in limits for bodily injury or death set forth in Section  
18 7-203 of the Illinois Vehicle Code for the protection of  
19 persons insured thereunder who are legally entitled to  
20 recover damages from owners or operators of uninsured motor  
21 vehicles and hit-and-run motor vehicles because of bodily  
22 injury, sickness or disease, including death, resulting  
23 therefrom. Uninsured motor vehicle coverage does not apply to  
24 bodily injury, sickness, disease, or death resulting  
25 therefrom, of an insured while occupying a motor vehicle  
26 owned by, or furnished or available for the regular use of  
27 the insured, a resident spouse or resident relative, if that  
28 motor vehicle is not described in the policy under which a  
29 claim is made or is not a newly acquired or replacement motor  
30 vehicle covered under the terms of the policy. The limits  
31 for any coverage for any vehicle under the policy may not be

1 aggregated with the limits for any similar coverage, whether  
2 provided by the same insurer or another insurer, applying to  
3 other motor vehicles, for purposes of determining the total  
4 limit of insurance coverage available for bodily injury or  
5 death suffered by a person in any one accident. No policy  
6 shall be renewed, delivered, or issued for delivery in this  
7 State unless it is provided therein that any dispute with  
8 respect to the coverage and the amount of damages shall be  
9 submitted for arbitration to the American Arbitration  
10 Association and be subject to its rules for the conduct of  
11 arbitration hearings as to all matters except medical  
12 opinions. As to medical opinions, if the amount of damages  
13 being sought is equal to or less than the amount provided for  
14 in Section 7-203 of the Illinois Vehicle Code, then the  
15 current American Arbitration Association Rules shall apply.  
16 If the amount being sought in an American Arbitration  
17 Association case exceeds that amount as set forth in Section  
18 7-203 of the Illinois Vehicle Code, then the Rules of  
19 Evidence that apply in the circuit court for placing medical  
20 opinions into evidence shall govern. Alternatively, disputes  
21 with respect to damages and the coverage shall be determined  
22 in the following manner: Upon the insured requesting  
23 arbitration, each party to the dispute shall select an  
24 arbitrator and the 2 arbitrators so named shall select a  
25 third arbitrator. If such arbitrators are not selected  
26 within 45 days from such request, either party may request  
27 that the arbitration be submitted to the American Arbitration  
28 Association. Any decision made by the arbitrators shall be  
29 binding ~~for the amount of damages not exceeding the limits~~  
30 ~~for bodily injury or death set forth in Section 7-203 of the~~  
31 ~~Illinois Vehicle Code.~~ All 3-person arbitration cases  
32 proceeding in accordance with any uninsured motorist coverage  
33 conducted in this State in which the claimant is only seeking  
34 monetary damages up to the limits set forth in Section 7-203

1 of the Illinois Vehicle Code shall be subject to the  
2 following rules:

3 (A) If at least 60 days' written notice of the  
4 intention to offer the following documents in evidence is  
5 given to every other party, accompanied by a copy of the  
6 document, a party may offer in evidence, without  
7 foundation or other proof:

8 (1) bills, records, and reports of hospitals,  
9 doctors, dentists, registered nurses, licensed  
10 practical nurses, physical therapists, and other  
11 healthcare providers;

12 (2) bills for drugs, medical appliances, and  
13 prostheses;

14 (3) property repair bills or estimates, when  
15 identified and itemized setting forth the charges  
16 for labor and material used or proposed for use in  
17 the repair of the property;

18 (4) a report of the rate of earnings and time  
19 lost from work or lost compensation prepared by an  
20 employer;

21 (5) the written opinion of an opinion witness,  
22 the deposition of a witness, and the statement of a  
23 witness that the witness would be allowed to express  
24 if testifying in person, if the opinion or statement  
25 is made by affidavit or by certification as provided  
26 in Section 1-109 of the Code of Civil Procedure;

27 (6) any other document not specifically  
28 covered by any of the foregoing provisions that is  
29 otherwise admissible under the rules of evidence.

30 Any party receiving a notice under this paragraph  
31 (A) may apply to the arbitrator or panel of arbitrators,  
32 as the case may be, for the issuance of a subpoena  
33 directed to the author or maker or custodian of the  
34 document that is the subject of the notice, requiring the

1 person subpoenaed to produce copies of any additional  
2 documents as may be related to the subject matter of the  
3 document that is the subject of the notice. Any such  
4 subpoena shall be issued in substantially similar form  
5 and served by notice as provided by Illinois Supreme  
6 Court Rule 204(a)(4). Any such subpoena shall be  
7 returnable not less than 5 days before the arbitration  
8 hearing.

9 (B) Notwithstanding the provisions of Supreme Court  
10 Rule 213(g), a party who proposes to use a written  
11 opinion of an expert or opinion witness or the testimony  
12 of an expert or opinion witness at the hearing may do so  
13 provided a written notice of that intention is given to  
14 every other party not less than 60 days prior to the date  
15 of hearing, accompanied by a statement containing the  
16 identity of the witness, his or her qualifications, the  
17 subject matter, the basis of the witness's conclusions,  
18 and his or her opinion.

19 (C) Any other party may subpoena the author or  
20 maker of a document admissible under this subsection, at  
21 that party's expense, and examine the author or maker as  
22 if under cross-examination. The provisions of Section  
23 2-1101 of the Code of Civil Procedure shall be applicable  
24 to arbitration hearings, and it shall be the duty of a  
25 party requesting the subpoena to modify the form to show  
26 that the appearance is set before an arbitration panel  
27 and to give the time and place set for the hearing.

28 (D) The provisions of Section 2-1102 of the Code of  
29 Civil Procedure shall be applicable to arbitration  
30 hearings under this subsection.

31 (2) No policy insuring against loss resulting from  
32 liability imposed by law for property damage arising out of  
33 the ownership, maintenance, or use of a motor vehicle shall  
34 be renewed, delivered, or issued for delivery in this State

1 with respect to any private passenger or recreational motor  
2 vehicle that is designed for use on public highways and that  
3 is either required to be registered in this State or is  
4 principally garaged in this State and is not covered by  
5 collision insurance under the provisions of such policy,  
6 unless coverage is made available in the amount of the actual  
7 cash value of the motor vehicle described in the policy or  
8 \$15,000 whichever is less, subject to a \$250 deductible, for  
9 the protection of persons insured thereunder who are legally  
10 entitled to recover damages from owners or operators of  
11 uninsured motor vehicles and hit-and-run motor vehicles  
12 because of property damage to the motor vehicle described in  
13 the policy.

14 There shall be no liability imposed under the uninsured  
15 motorist property damage coverage required by this subsection  
16 if the owner or operator of the at-fault uninsured motor  
17 vehicle or hit-and-run motor vehicle cannot be identified.  
18 This subsection shall not apply to any policy which does not  
19 provide primary motor vehicle liability insurance for  
20 liabilities arising from the maintenance, operation, or use  
21 of a specifically insured motor vehicle.

22 Each insurance company providing motor vehicle property  
23 damage liability insurance shall advise applicants of the  
24 availability of uninsured motor vehicle property damage  
25 coverage, the premium therefor, and provide a brief  
26 description of the coverage. Each insurer, with respect to  
27 the initial renewal, reinstatement, or reissuance of a policy  
28 of motor vehicle property damage liability insurance shall  
29 provide present policyholders with the same information in  
30 writing. That information need be given only once and shall  
31 not be required in any subsequent renewal, reinstatement or  
32 reissuance, substitute, amended, replacement or supplementary  
33 policy. No written rejection shall be required, and the  
34 absence of a premium payment for uninsured motor vehicle

1 property damage shall constitute conclusive proof that the  
2 applicant or policyholder has elected not to accept uninsured  
3 motorist property damage coverage.

4 An insurance company issuing uninsured motor vehicle  
5 property damage coverage may provide that:

6 (i) Property damage losses recoverable thereunder  
7 shall be limited to damages caused by the actual physical  
8 contact of an uninsured motor vehicle with the insured  
9 motor vehicle.

10 (ii) There shall be no coverage for loss of use of  
11 the insured motor vehicle and no coverage for loss or  
12 damage to personal property located in the insured motor  
13 vehicle.

14 (iii) Any claim submitted shall include the name  
15 and address of the owner of the at-fault uninsured motor  
16 vehicle, or a registration number and description of the  
17 vehicle, or any other available information to establish  
18 that there is no applicable motor vehicle property damage  
19 liability insurance.

20 Any dispute with respect to the coverage and the amount  
21 of damages shall be submitted for arbitration to the American  
22 Arbitration Association and be subject to its rules for the  
23 conduct of arbitration hearings or for determination in the  
24 following manner: Upon the insured requesting arbitration,  
25 each party to the dispute shall select an arbitrator and the  
26 2 arbitrators so named shall select a third arbitrator. If  
27 such arbitrators are not selected within 45 days from such  
28 request, either party may request that the arbitration be  
29 submitted to the American Arbitration Association. Any  
30 arbitration proceeding under this subsection seeking recovery  
31 for property damages shall be subject to the following rules:

32 (A) If at least 60 days' written notice of the  
33 intention to offer the following documents in evidence is  
34 given to every other party, accompanied by a copy of the

1 document, a party may offer in evidence, without  
2 foundation or other proof:

3 (1) property repair bills or estimates, when  
4 identified and itemized setting forth the charges  
5 for labor and material used or proposed for use in  
6 the repair of the property;

7 (2) the written opinion of an opinion witness,  
8 the deposition of a witness, and the statement of a  
9 witness that the witness would be allowed to express  
10 if testifying in person, if the opinion or statement  
11 is made by affidavit or by certification as provided  
12 in Section 1-109 of the Code of Civil Procedure;

13 (3) any other document not specifically  
14 covered by any of the foregoing provisions that is  
15 otherwise admissible under the rules of evidence.

16 Any party receiving a notice under this paragraph  
17 (A) may apply to the arbitrator or panel of arbitrators,  
18 as the case may be, for the issuance of a subpoena  
19 directed to the author or maker or custodian of the  
20 document that is the subject of the notice, requiring the  
21 person subpoenaed to produce copies of any additional  
22 documents as may be related to the subject matter of the  
23 document that is the subject of the notice. Any such  
24 subpoena shall be issued in substantially similar form  
25 and served by notice as provided by Illinois Supreme  
26 Court Rule 204(a)(4). Any such subpoena shall be  
27 returnable not less than 5 days before the arbitration  
28 hearing.

29 (B) Notwithstanding the provisions of Supreme Court  
30 Rule 213(g), a party who proposes to use a written  
31 opinion of an expert or opinion witness or the testimony  
32 of an expert or opinion witness at the hearing may do so  
33 provided a written notice of that intention is given to  
34 every other party not less than 60 days prior to the date

1 of hearing, accompanied by a statement containing the  
2 identity of the witness, his or her qualifications, the  
3 subject matter, the basis of the witness's conclusions,  
4 and his or her opinion.

5 (C) Any other party may subpoena the author or  
6 maker of a document admissible under this subsection, at  
7 that party's expense, and examine the author or maker as  
8 if under cross-examination. The provisions of Section  
9 2-1101 of the Code of Civil Procedure shall be applicable  
10 to arbitration hearings, and it shall be the duty of a  
11 party requesting the subpoena to modify the form to show  
12 that the appearance is set before an arbitration panel  
13 and to give the time and place set for the hearing.

14 (D) The provisions of Section 2-1102 of the Code of  
15 Civil Procedure shall be applicable to arbitration  
16 hearings under this subsection.

17 (3) For the purpose of the coverage the term "uninsured  
18 motor vehicle" includes, subject to the terms and conditions  
19 of the coverage, a motor vehicle where on, before or after  
20 the accident date the liability insurer thereof is unable to  
21 make payment with respect to the legal liability of its  
22 insured within the limits specified in the policy because of  
23 the entry by a court of competent jurisdiction of an order of  
24 rehabilitation or liquidation by reason of insolvency on or  
25 after the accident date. An insurer's extension of coverage,  
26 as provided in this subsection, shall be applicable to all  
27 accidents occurring after July 1, 1967 during a policy period  
28 in which its insured's uninsured motor vehicle coverage is in  
29 effect. Nothing in this Section may be construed to prevent  
30 any insurer from extending coverage under terms and  
31 conditions more favorable to its insureds than is required by  
32 this Section.

33 (4) In the event of payment to any person under the  
34 coverage required by this Section and subject to the terms



1 and conditions of the coverage, the insurer making the  
2 payment shall, to the extent thereof, be entitled to the  
3 proceeds of any settlement or judgment resulting from the  
4 exercise of any rights of recovery of the person against any  
5 person or organization legally responsible for the property  
6 damage, bodily injury or death for which the payment is made,  
7 including the proceeds recoverable from the assets of the  
8 insolvent insurer. With respect to payments made by reason of  
9 the coverage described in subsection (3), the insurer making  
10 such payment shall not be entitled to any right of recovery  
11 against the tort-feasor in excess of the proceeds recovered  
12 from the assets of the insolvent insurer of the tort-feasor.

13 (5) This amendatory Act of 1967 shall not be construed  
14 to terminate or reduce any insurance coverage or any right of  
15 any party under this Code in effect before July 1, 1967. This  
16 amendatory Act of 1990 shall not be construed to terminate or  
17 reduce any insurance coverage or any right of any party under  
18 this Code in effect before its effective date.

19 (6) Failure of the motorist from whom the claimant is  
20 legally entitled to recover damages to file the appropriate  
21 forms with the Safety Responsibility Section of the  
22 Department of Transportation within 120 days of the accident  
23 date shall create a rebuttable presumption that the motorist  
24 was uninsured at the time of the injurious occurrence.

25 (7) An insurance carrier may upon good cause require the  
26 insured to commence a legal action against the owner or  
27 operator of an uninsured motor vehicle before good faith  
28 negotiation with the carrier. If the action is commenced at  
29 the request of the insurance carrier, the carrier shall pay  
30 to the insured, before the action is commenced, all court  
31 costs, jury fees and sheriff's fees arising from the action.

32 The changes made by this amendatory Act of 1997 apply to  
33 all policies of insurance amended, delivered, issued, or  
34 renewed on and after the effective date of this amendatory

1 Act of 1997.

2 (Source: P.A. 89-206, eff. 7-21-95; 90-451, eff. 1-1-98.)

3 (215 ILCS 5/143d) (from Ch. 73, par. 755d)

4 Sec. 143d. Customer affairs and information department.

5 (a) Every company licensed to issue policies of  
6 insurance as defined in subsections (a) and (b) of Section  
7 143.13 shall establish a customer affairs and information  
8 department to respond to policyholder inquiries and  
9 complaints. The department shall be staffed by an employee  
10 or employees generally knowledgeable in the affairs and  
11 operations of the company. The department shall be located  
12 in either the home, regional, or branch office of the company  
13 and must, during regular business hours, either maintain a  
14 toll free telephone number or permit policyholders to call a  
15 designated telephone number at the company's expense. The  
16 telephone numbers shall be made available to policyholders in  
17 accordance with Section 143(c).

18 (b) The customer affairs and information department  
19 shall provide information and services that may reasonably be  
20 requested by policyholders who are residents of this State  
21 and must respond promptly to complaints made by policyholder.  
22 Companies must provide a written response to written  
23 inquiries and complaints within 21 days of receipt.

24 (c) Records of the customer affairs and information  
25 department shall be maintained in compliance with Department  
26 of Insurance regulations.

27 (d) The Department of Insurance shall publish in general  
28 circulation newspapers, on an annual basis, and make  
29 available to the general public, all records obtained  
30 pursuant to this Section.

31 (Source: P.A. 86-1407.)

32 (215 ILCS 5/154.5) (from Ch. 73, par. 766.5)

1           Sec. 154.5. Improper claims practices.†

2           (a) It is an improper claims practice for any domestic,  
3 foreign or alien company transacting business in this State  
4 to commit any of the acts contained in Section 154.6 if:

5           (1) †a† it is committed knowingly in violation of this  
6 Act or any rules promulgated hereunder; or

7           (2) †b† it has been committed with such frequency to  
8 indicate a persistent tendency to engage in that type of  
9 conduct.

10           (b) Any person who suffers actual damages as a result of  
11 improper claims practices may bring a civil action for actual  
12 damages sustained and, if appropriate, punitive damages.

13           (Source: P.A. 80-926.)

14           (215 ILCS 5/155) (from Ch. 73, par. 767)

15           Sec. 155. Attorney fees.†

16           (1) In any action by or against a company wherein there  
17 is in issue the liability of a company on a policy or  
18 policies of insurance or the amount of the loss payable  
19 thereunder, or for an unreasonable delay in settling a claim,  
20 and it appears to the court that such action or delay is  
21 vexatious and unreasonable, the court may allow as part of  
22 the taxable costs in the action reasonable attorney fees,  
23 other costs, plus an amount not to exceed any one of the  
24 following amounts:

25           (a) 100% ~~25%~~ of the amount which the court or jury finds  
26 such party is entitled to recover against the company,  
27 exclusive of all costs;

28           (b) \$100,000 ~~\$25,000~~;

29           (c) the excess of the amount which the court or jury  
30 finds such party is entitled to recover, exclusive of costs,  
31 over the amount, if any, which the company offered to pay in  
32 settlement of the claim prior to the action.

33           (2) Where there are several policies insuring the same

1 insured against the same loss whether issued by the same or  
2 by different companies, the court may fix the amount of the  
3 allowance so that the total attorney fees on account of one  
4 loss shall not be increased by reason of the fact that the  
5 insured brings separate suits on such policies.

6 (Source: P.A. 84-678.)