

# HB5670



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB5670

by Rep. JoAnn D. Osmond

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/370a

from Ch. 73, par. 982a

Amends the Illinois Insurance Code. Provides that subject to the terms of a policy of accident or health insurance or any contract relating thereto that may expressly prohibit either pre-loss or post-loss assignments or both, an assignment by an insured or by any other owner of rights under the policy is valid for the purpose of vesting in the assignee, in accordance with any provisions included therein as to the time at which it is effective, all rights and privileges so assigned. Effective immediately.

LRB095 16777 KBJ 42813 b

A BILL FOR

1 AN ACT concerning regulation.

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 Section 370a as follows:

6 (215 ILCS 5/370a) (from Ch. 73, par. 982a)

7 Sec. 370a. Assignability of Accident and Health Insurance.

8 No provision of the Illinois Insurance Code, or any other  
9 law, prohibits an insured under any policy of accident and  
10 health insurance or any other person who may be the owner of  
11 any rights under such policy from making an assignment of all  
12 or any part of his rights and privileges under the policy  
13 including but not limited to the right to designate a  
14 beneficiary and to have an individual policy issued in  
15 accordance with its terms. Subject to the terms of the policy  
16 or any contract relating thereto that may expressly prohibit  
17 either pre-loss or post-loss assignments or both, an assignment  
18 by an insured or by any other owner of rights under the policy,  
19 made before or after the effective date of this amendatory Act  
20 of 1969 is valid for the purpose of vesting in the assignee, in  
21 accordance with any provisions included therein as to the time  
22 at which it is effective, all rights and privileges so  
23 assigned. However, such assignment is without prejudice to the

1 company on account of any payment it makes or individual policy  
2 it issues before receipt of notice of the assignment. This  
3 amendatory Act of 1969 acknowledges, declares and codifies the  
4 existing right of assignment of interests under accident and  
5 health insurance policies. If an enrollee or insured of an  
6 insurer, health maintenance organization, managed care plan,  
7 health care plan, preferred provider organization, or third  
8 party administrator assigns a claim to a health care  
9 professional or health care facility, then payment shall be  
10 made directly to the health care professional or health care  
11 facility including any interest required under Section 368a, of  
12 this Code for failure to pay claims within 30 days after  
13 receipt by the insurer of due proof of loss. Nothing in this  
14 Section shall be construed to prevent any parties from  
15 reconciling duplicate payments.

16 (Source: P.A. 91-605, eff. 12-14-99; 91-788, eff. 6-9-00.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.