



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB2962

by Rep. Scott Drury

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/154.8  
215 ILCS 5/155

from Ch. 73, par. 766.8  
from Ch. 73, par. 767

Amends the Illinois Insurance Code. Provides that if, after a hearing pursuant to the Code, the Director of Insurance finds that a company has engaged in an improper claims practice, the Director shall order the company to cease and desist from such practices and, in the exercise of reasonable discretion, may suspend the company's certificate of authority for a period not to exceed 6 months or impose a civil penalty of up to \$500,000 (rather than \$250,000), or both. Makes changes to the provision concerning attorney fees.

LRB098 05470 RPM 35504 b

FISCAL NOTE ACT  
MAY APPLY

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 Sections 154.6, 154.8, and 155 as follows:

6 (215 ILCS 5/154.8) (from Ch. 73, par. 766.8)

7 Sec. 154.8. Cease and Desist Order - Suspension of  
8 Certificate - Civil penalty - Judicial Review.✝

9 (1) If after a hearing pursuant to Section 154.7 the  
10 Director finds that company has engaged in an improper claims  
11 practice, he shall order such company to cease and desist from  
12 such practices and, in the exercise of reasonable discretion,  
13 may suspend the company's certificate of authority for a period  
14 not to exceed 6 months or impose a civil penalty of up to  
15 \$500,000 ~~\$250,000~~, or both. Pursuant to Section 401, the  
16 Director shall promulgate reasonable rules and regulations  
17 establishing standards for the implementation of this Section.

18 (2) Any order of the Director pursuant to this Section is  
19 subject to judicial review under Section 407 of this Code.

20 (Source: P.A. 86-846.)

21 (215 ILCS 5/155) (from Ch. 73, par. 767)

22 Sec. 155. Attorney fees.

1           (1) In any action by or against a company wherein there is  
2 in issue the liability of a company on a policy or policies of  
3 insurance or the amount of the loss payable thereunder, or for  
4 an unreasonable delay in settling a claim, and it appears to  
5 the court that such action or delay is without justification  
6 ~~vexatious and unreasonable~~, the court may allow as part of the  
7 taxable costs in the action reasonable attorney fees, other  
8 costs, plus an amount not to exceed any one of the following  
9 amounts:

10           (a) 75% ~~60%~~ of the amount which the court or jury finds  
11 such party is entitled to recover against the company,  
12 exclusive of all costs;

13           (b) (blank) ~~\$60,000~~;

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

18           (2) Where there are several policies insuring the same  
19 insured against the same loss whether issued by the same or by  
20 different companies, the court may fix the amount of the  
21 allowance so that the total attorney fees on account of one  
22 loss shall not be increased by reason of the fact that the  
23 insured brings separate suits on such policies.

24           (Source: P.A. 93-485, eff. 1-1-04.)