

AN ACT concerning insurance.

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

Section 5. The Illinois Insurance Code is amended by adding Section 143.24d as follows:

(215 ILCS 5/143.24d new)

Sec. 143.24d. Arbitration of physical damage subrogation claims between insurers in certain cases.

(a) With respect to physical damage subrogation claims arising from auto damages incurred on or after January 1, 2012, insurers shall arbitrate and settle such claims where the amount in controversy, exclusive of the costs of the arbitration, is less than \$2,500. Such arbitration shall be in accordance with the terms of and rules adopted pursuant to the Nationwide Inter-Company Arbitration Agreement, or any successor thereto, as adopted and from time to time amended by its members, unless the parties on a case-by-case basis mutually agree to use another forum; the alternate forum may include a court of competent jurisdiction, in which case the claim shall be arbitrated or tried in that alternate forum. Mandatory arbitration of disputed claims shall be limited solely to the issues of liability and damages.

(b) Nothing in this Section shall be interpreted to require

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an insurer to become a member of any organization or to sign the Nationwide Inter-Company Arbitration Agreement.

Section 99. Effective date. This Act takes effect January 1, 2012.