



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4548

Introduced 1/30/2026, by Rep. Dan Ugaste and Kevin Schmidt

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Insurance Code. Provides that if an insurer tenders the lesser of the policy limits or the amount demanded by the claimant in a statutory or common law action alleging bad faith within 90 days after receiving actual notice of a claim accompanied by sufficient evidence to support the amount of the claim, no liability may be imposed against the insurer. Provides that if a named insured, omnibus insured, or named beneficiary is awarded a declaratory judgment in an action in State or federal court to determine insurance coverage after the insurer has made a total coverage denial of a claim, the court must award reasonable attorney's fees to the named insured, omnibus insured, or named beneficiary who has prevailed in the action. Creates a presumption that, in any action by or against a company, if there is an issue of the liability of a company, and it appears to the court that such action or delay is vexatious and unreasonable, the court may allow as part of the taxable costs in the action reasonable attorney's fees, as determined by the lodestar fee method of multiplying the number of hours reasonably spent on a case by a reasonable hourly rate, adjusted up or down by a multiplier to account for factors such as the quality of the work, complexity of the case, or risk of loss. Provides that this presumption may be overcome only in rare and exceptional circumstances. Amends the Code of Civil Procedure. Changes the percentage from 25% to 50% that triggers joint and several liability of a defendant of all damages. Provides criteria for the admissibility of unpaid, past, and future medical expenses in personal injury and wrongful death cases. Amends the Premises Liability Act. Provides that in an action for damages against the owner, lessor, operator, or manager of commercial or real property brought by a person lawfully on the property who was injured by the criminal act of a third party, the trier of fact must consider the fault of all persons who contributed to the injury. Makes other changes. Applies to all actions filed on or after the effective date of the amendatory Act. Effective immediately.

LRB104 17835 JRC 31269 b

1 AN ACT concerning civil law.

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 155 and by adding Section 154.11 as follows:

6 (215 ILCS 5/154.11 new)

7 Sec. 154.11. Immunity from liability.

8 (a) If the insurer tenders the lesser of the policy limits
9 or the amount demanded by the claimant in a statutory or common
10 law action alleging bad faith within 90 days after receiving
11 actual notice of a claim accompanied by sufficient evidence to
12 support the amount of the claim, no liability may be imposed
13 against the insurer. If the insurer fails to tender the limits
14 or amount within 90 days, then the fact that the insurer could
15 have done so but did not is inadmissible in an action to
16 establish bad faith. If the insurer fails to tender that
17 amount within 90 days, then the statute of limitations is
18 extended for an additional 90 days.

19 (b) In any statutory or common law action alleging bad
20 faith, mere negligence alone is insufficient to constitute bad
21 faith. The insured, claimant, and representative of the
22 insured or claimant have a duty to act in good faith in
23 furnishing information regarding the claim, in making demands

1 of the insurer, in setting deadlines, and in attempting to
2 settle the claim. This duty does not create a separate cause of
3 action. In any action for bad faith against an insurer, the
4 trier of fact may consider whether the insured, claimant, or
5 representative of the insured or claimant did not act in good
6 faith under this subsection, in which case the trier of fact
7 may reasonably reduce the amount of damages awarded against
8 the insurer.

9 (c) If 3 or more third-party claimants have competing
10 claims arising out of a single occurrence, which in total may
11 exceed the available policy limits of one or more of the
12 insured parties who may be liable to the third-party
13 claimants, an insurer is not liable beyond the available
14 policy limits for failure to pay all or any portion of the
15 available policy limits to one or more of the third-party
16 claimants if, within 90 days after receiving notice of the
17 competing claims in excess of the available policy limits, the
18 insurer:

19 (1) files an interpleader action under the Code of
20 Civil Procedure. If the claims of the competing
21 third-party claimants are found to be in excess of the
22 policy limits, the third-party claimants are entitled to a
23 prorated share of the policy limits as determined by the
24 trier of fact. An insurer's interpleader action does not
25 alter or amend the insurer's obligation to defend its
26 insured.

1 (2) Makes the entire amount of the policy limits
2 available for payment to the competing third-party
3 claimants before a qualified arbitrator agreed to by the
4 insurer and third-party claimants at the expense of the
5 insurer. The third-party claimants are entitled to a
6 prorated share of the policy limits as determined by the
7 arbitrator, who must consider the comparative fault, if
8 any, of each third-party claimant, and the total likely
9 outcome at trial based upon the total of the economic and
10 noneconomic damages submitted to the arbitrator for
11 consideration. A third-party claimant whose claim is
12 resolved by the arbitrator must execute and deliver a
13 general release to the insured party whose claim is
14 resolved by the proceeding.

15 (215 ILCS 5/155) (from Ch. 73, par. 767)

16 Sec. 155. Attorney fees.

17 (1) In any action by or against a company wherein there is
18 in issue the liability of a company on a policy or policies of
19 insurance or the amount of the loss payable thereunder, or for
20 an unreasonable delay in settling a claim, and it appears to
21 the court that such action or delay is vexatious and
22 unreasonable, the court may allow as part of the taxable costs
23 in the action reasonable attorney fees, as determined by the
24 lodestar fee method of multiplying the number of hours
25 reasonably spent on a case by a reasonable hourly rate,

1 adjusted up or down by a multiplier to account for factors such
2 as the quality of the work, complexity of the case, or risk of
3 loss. This presumption of using the lodestar method may be
4 overcome only in a rare and exceptional circumstance with
5 evidence that competent counsel could not otherwise be
6 retained. ~~other costs, plus an amount not to exceed any one of~~
7 ~~the following amounts:~~

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

11 ~~(b) \$60,000;~~

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

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

22 (3) If a named insured, omnibus insured, or named
23 beneficiary is awarded a declaratory judgment in an action in
24 State or federal court to determine insurance coverage after
25 the insurer has made a total coverage denial of a claim, the
26 court must award reasonable attorney's fees to the named

1 insured, omnibus insured, or named beneficiary who has
2 prevailed in the action. This right may not be transferred to,
3 assigned to, or acquired in any other manner by anyone other
4 than a named insured, omnibus insured, or named beneficiary. A
5 defense offered by an insurer under a reservation of rights
6 does not constitute a denial of coverage claim. The attorney's
7 fees are limited to those incurred in the action brought under
8 this Code for declaratory relief to determine coverage of
9 insurance issued under this Code. This Section does not apply
10 to any action arising under a residential or commercial
11 property insurance policy.

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

13 Section 10. The Code of Civil Procedure is amended by
14 changing Section 2-1117 and by adding Part 30 to Article VIII
15 as follows:

16 (735 ILCS 5/2-1117) (from Ch. 110, par. 2-1117)

17 Sec. 2-1117. Joint liability. Except as provided in
18 Section 2-1118, in actions on account of bodily injury or
19 death or physical damage to property, based on negligence, or
20 product liability based on strict tort liability, all
21 defendants found liable are jointly and severally liable for
22 plaintiff's past and future medical and medically related
23 expenses. Any defendant whose fault, as determined by the
24 trier of fact, is less than 50% ~~25%~~ of the total fault of all

1 tortfeasors, including, but not limited to, the plaintiff's
2 employer, nonparties, entities that have settled, or any other
3 person that the trier of fact finds was at fault and a
4 proximate cause of the injury or damage for which recovery is
5 sought by ~~attributable to~~ the plaintiff, the defendants sued
6 by the plaintiff, and any third party defendant except the
7 plaintiff's employer, shall be severally liable for all other
8 damages. Any defendant whose fault, as determined by the trier
9 of fact, is 50% ~~25%~~ or greater of the total fault of all
10 tortfeasors, including, but not limited to, the plaintiff's
11 employer, nonparties, entities that have settled, or any other
12 person that the trier of fact finds was at fault and a
13 proximate cause of the injury or damage for which recovery is
14 sought by the plaintiff ~~attributable to the plaintiff, the~~
15 ~~defendants sued by the plaintiff, and any third party~~
16 ~~defendants except the plaintiff's employer,~~ shall be jointly
17 and severally liable for all other damages.

18 The changes to this Section made by this amendatory Act of
19 the 104th General Assembly apply to actions filed on or after
20 the effective date of this amendatory Act of the 104th General
21 Assembly.

22 (Source: P.A. 93-10, eff. 6-4-03; 93-12, eff. 6-4-03.)

23 (735 ILCS 5/Art. VIII Pt. 30 heading new)

24 Part 30. Medical Expenses

1 (735 ILCS 5/8-3001 new)

2 Sec. 8-3001. Medical expenses.

3 (a) Definitions. As used in this Section:

4 "Factoring company" means a person that purchases health
5 care provider's accounts receivable at a discount below the
6 invoice value of the accounts.

7 "Health care coverage" means any third-party health care
8 or disability services financing arrangement, including, but
9 not limited to, arrangements with entities certified or
10 authorized under federal law or under the Illinois Insurance
11 Code, State or federal health care benefit programs, workers'
12 compensation, and personal injury protection.

13 "Health care provider" means any of the following: a
14 health care facility or health care practitioner as defined
15 under Section 8-2001 of this Code; clinical laboratory
16 providing services in this State or services to health care
17 providers in this State, if the clinical laboratory is
18 certified by the Centers for Medicare and Medicaid Services
19 under the federal Clinical Laboratory Improvement Amendments
20 and the federal rules adopted thereunder; a federally
21 qualified health center as defined in 42 U.S.C. 1396d(1)(2)(B)
22 as that definition existed on the effective date of this
23 amendatory Act of the 104th General Assembly; and a pharmacy
24 as defined under the Pharmacy Practice Act of 1987.

25 "Letter of protection" means any arrangement by which a
26 health care provider renders treatment in exchange for a

1 promise of payment for the claimant's medical expenses from
2 any judgment or settlement of a personal injury or wrongful
3 death action. This includes any such arrangement, regardless
4 of whether referred to as a letter of protection.

5 (b) Admissible evidence of medical treatment or service
6 expenses. Evidence offered to prove the amount of damages for
7 past or future medical treatment or services in a personal
8 injury or wrongful death action is admissible as provided in
9 this subsection.

10 (1) Evidence offered to prove the amount of damages
11 for past medical treatment or services that have been
12 satisfied is limited to evidence of the amount actually
13 paid regardless of the source of payment.

14 (2) Evidence offered to prove the amount necessary to
15 satisfy unpaid charges for incurred medical treatment or
16 services shall include, but is not limited to, evidence as
17 provided in this paragraph.

18 (A) If the claimant has health care coverage other
19 than Medicare or Medicaid, evidence of the amount the
20 health care coverage is obligated to pay the health
21 care provider to satisfy the charges for the
22 claimant's incurred medical treatment or services,
23 plus the claimant's share of medical expenses under
24 the insurance contract or regulation.

25 (B) If the claimant has health care coverage but
26 obtains treatment under a letter of protection or

1 otherwise does not submit charges for any health care
2 provider's medical treatment or services to health
3 care coverage, evidence of the amount the claimant's
4 health care coverage would pay the health care
5 provider to satisfy the past unpaid medical charges
6 under the insurance contract or regulation, plus the
7 claimant's share of medical expenses under the
8 insurance contract or regulation, if the claimant
9 obtained medical services or treatment under the
10 health care coverage.

11 (C) If the claimant does not have health care
12 coverage or has health care coverage through Medicare
13 or Medicaid, evidence of 120% of the Medicare
14 reimbursement rate in effect on the date of the
15 claimant's incurred medical treatment or services, or,
16 if there is no applicable Medicare rate for a service,
17 170% of the applicable State Medicaid rate.

18 (D) If the claimant obtains medical treatment or
19 services under a letter of protection and the health
20 care provider later transfers the right to receive
21 payment under the letter of protection to a third
22 party, evidence of the amount the third party paid or
23 agreed to pay the health care provider in exchange for
24 the right to receive payment under the letter of
25 protection.

26 (E) Any evidence of reasonable amounts billed to

1 the claimant for medically necessary treatment or
2 medically necessary services provided to the claimant.

3 (3) Evidence offered to prove the amount of damages
4 for any future medical treatment or services the claimant
5 will receive includes, but is not limited to, evidence as
6 provided in this paragraph.

7 (A) If the claimant has health care coverage other
8 than Medicare or Medicaid or is eligible for any such
9 health care coverage, evidence of the amount for which
10 the future charges of health care providers could be
11 satisfied if submitted to the health care coverage,
12 plus the claimant's share of medical expenses under
13 the insurance contract or regulation.

14 (B) If the claimant does not have health care
15 coverage or has health care coverage through Medicare
16 or Medicaid, or is eligible for the health care
17 coverage, evidence of 120% of the Medicare
18 reimbursement rate in effect at the time of trial for
19 the medical treatment or services the claimant will
20 receive, or, if there is no applicable Medicare rate
21 for a service, 170% of the applicable state Medicaid
22 rate.

23 (C) Any evidence of reasonable future amounts to
24 be billed to the claimant for medically necessary
25 treatment or medically necessary services.

26 (4) This subsection does not impose an affirmative

1 duty upon any party to seek a reduction in billed charges
2 to which the party is not contractually entitled.

3 (5) Individual contracts between providers and
4 authorized commercial insurers or authorized health
5 maintenance organizations are not subject to discovery or
6 disclosure and are not admissible into evidence.

7 (c) Letters of protection; required disclosures. In a
8 personal injury or wrongful death action, as a condition
9 precedent to asserting any claim for medical expenses for
10 treatment rendered under a letter of protection, the claimant
11 must disclose:

12 (1) A copy of the letter of protection.

13 (2) All billings for the claimant's medical expenses,
14 which must be itemized and, to the extent applicable,
15 coded according to:

16 (A) For health care providers billing at the
17 provider level, the American Medical Association's
18 Current Procedural Terminology (CPT) or the Healthcare
19 Common Procedure Coding System (HCPCS) in effect on
20 the date the services were rendered.

21 (B) For health care providers billing at the
22 facility level for expenses incurred in a clinical or
23 outpatient setting, including when billing through an
24 Ambulatory Payment Classification (APC) or Enhanced
25 Ambulatory Patient Grouping (EAPG); the International
26 Classification of Diseases (ICD) diagnosis code and,

1 if applicable, the American Medical Association's
2 Current Procedural Terminology (CPT) in effect on the
3 date the services were rendered.

4 (C) For health care providers billing at the
5 facility level for expenses incurred in an inpatient
6 setting, including when billing through a Diagnosis
7 Related Group (DRG); the International Classification
8 of Diseases (ICD) diagnosis and procedure codes in
9 effect on the date in which the claimant is
10 discharged.

11 (3) If the health care provider sells the accounts
12 receivable for the claimant's medical expenses to a
13 factoring company or other third party:

14 (A) The name of the factoring company or other
15 third party who purchased the accounts.

16 (B) The dollar amount for which the factoring
17 company or other third party purchased the accounts,
18 including any discount provided below the invoice
19 amount.

20 (4) Whether the claimant, at the time medical
21 treatment was rendered, had health care coverage and, if
22 so, the identity of the coverage.

23 (5) Whether the claimant was referred for treatment
24 under a letter of protection and, if so, the identity of
25 the person who made the referral. If the referral is made
26 by the claimant's attorney, disclosure of the referral is

1 permitted, and evidence of the referral is admissible. The
2 financial relationship between a law firm and a medical
3 provider, including the number of referrals, frequency,
4 and financial benefit obtained, is relevant to the issue
5 of the bias of a testifying medical provider.

6 (d) Damages recoverable for medical treatment or service
7 expenses. The damages that may be recovered by a claimant in a
8 personal injury or wrongful death action for the reasonable
9 and necessary cost or value of medical care rendered may not
10 include any amount in excess of the evidence of medical
11 treatment and services expenses admitted under subsection (b),
12 and also may not exceed the sum of the following:

13 (1) amounts actually paid by or on behalf of the
14 claimant to a health care provider who rendered medical
15 treatment or services;

16 (2) amounts necessary to satisfy charges for medical
17 treatment or services that are due and owing but at the
18 time of trial are not yet satisfied; and

19 (3) amounts necessary to provide for any reasonable
20 and necessary medical treatment or services the claimant
21 will receive in the future.

22 Section 15. The Premises Liability Act is amended by
23 adding Sections 5.1 and 5.2 as follows:

24 (740 ILCS 130/5.1 new)

1 Sec. 5.1. Premises liability for criminal acts of third
2 parties. In an action for damages against the owner, lessor,
3 operator, or manager of commercial or real property brought by
4 a person lawfully on the property who was injured by the
5 criminal act of a third party, the trier of fact must consider
6 the fault of all persons who contributed to the injury.

7 (740 ILCS 130/5.2 new)

8 Sec. 5.2. Multifamily residential property safety and
9 security.

10 (a) As used in this Section:

11 "Multifamily residential property" means a residential
12 building, or group of residential buildings, such as
13 apartments, townhouses, or condominiums, consisting of at
14 least 5 dwelling units on a particular parcel.

15 "Parcel" means real property for which a distinct parcel
16 identification number is assigned to the property by the
17 property appraiser for the county in which the property is
18 located.

19 (b) The owner or principal operator of a multifamily
20 residential property that substantially implements the
21 following security measures on that property has a presumption
22 against liability in connection with criminal acts that occur
23 on the premises that are committed by third parties who are not
24 employees or agents of the owner or operator:

25 (1) A security camera system at points of entry and

1 exit that records and maintains video footage that is
2 retrievable for at least 30 days to assist in offender
3 identification and apprehension.

4 (2) A lighted parking lot illuminated at an intensity
5 of at least an average of 1.8 foot-candles per square foot
6 at 18 inches above the surface from dusk until dawn or
7 controlled by photocell or any similar electronic device
8 that provides light from dusk until dawn.

9 (3) Lighting in walkways, laundry rooms, common areas,
10 and porches. The lighting must be illuminated from dusk
11 until dawn or controlled by photocell or any similar
12 electronic device that provides light from dusk until
13 dawn.

14 (4) At least a one-inch deadbolt in each dwelling unit
15 door.

16 (5) A locking device on each window, each exterior
17 sliding door, and any other doors not used for community
18 purposes.

19 (6) Locked gates with key or fob access along pool
20 fence areas.

21 (7) A peephole or door viewer on each dwelling unit
22 door that does not include a window or that does not have a
23 window next to the door.

24 (c) By January 1, 2028, the owner or principal operator of
25 a multifamily residential property must provide proper crime
26 deterrence and safety training to its current employees. After

1 January 1, 2028, the owner or principal operator must provide
2 this training to an employee within 60 days after the hiring
3 date for purposes of this paragraph. For purposes of this
4 subsection, "proper crime deterrence and safety training"
5 means training that trains and familiarizes employees with the
6 security principles, devices, measures, and standards set
7 forth under subsection (b), and that is reviewed at least
8 every 3 years and updated as necessary. The owner or principal
9 operator may request a law enforcement agency to review the
10 training curriculum.

11 (d) For purposes of establishing the presumption against
12 liability under subsection (b), the burden of proof is on the
13 owner or principal operator to demonstrate that the owner or
14 principal operator has substantially implemented the security
15 measures specified in subsection (b).

16 (e) This Section does not establish a private cause of
17 action.

18 Section 97. This Act may not be construed to impair any
19 right under an insurance contract in effect on or before the
20 effective date of this Act. To the extent that this Act affects
21 a right under an insurance contract, this Act applies to an
22 insurance contract issued or renewed after the effective date
23 of this Act.

24 Section 98. Except as otherwise expressly provided in

1 Section 10, this Act applies to all actions filed on or after
2 the effective date of this Act.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 215 ILCS 5/154.11 new

4 215 ILCS 5/155 from Ch. 73, par. 767

5 735 ILCS 5/2-1117 from Ch. 110, par. 2-1117

6 735 ILCS 5/Art. VIII Pt.

7 30 heading new

8 735 ILCS 5/8-3001 new

9 740 ILCS 130/5.1 new

10 740 ILCS 130/5.2 new