



Rep. Karen May

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09600HB3639ham001

LRB096 10057 RPM 23684 a

1 AMENDMENT TO HOUSE BILL 3639

2 AMENDMENT NO. _____. Amend House Bill 3639 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 357.9 and 357.9a as follows:

6 (215 ILCS 5/357.9) (from Ch. 73, par. 969.9)

7 Sec. 357.9. "TIME OF PAYMENT OF CLAIMS: Indemnities payable
8 under this policy for any loss other than loss for which this
9 policy provides any periodic payment will be paid immediately
10 upon receipt of due written proof of such loss. Subject to due
11 written proof of loss, all accrued indemnities for loss for
12 which this policy provides periodic payment will be paid
13 (insert period for payment which must not be less frequently
14 than monthly) and any balance remaining unpaid upon the
15 termination of liability, will be paid immediately upon receipt
16 of due written proof."

1 All claims and indemnities payable under the terms of a
2 policy of accident and health insurance shall be paid within 30
3 days following receipt by the insurer of due proof of loss.
4 Failure to pay within such period shall entitle the insured to
5 interest at the rate of 9 per cent per annum from the 30th day
6 after receipt of such proof of loss to the date of late
7 payment, provided that interest amounting to less than one
8 dollar need not be paid. An insured or an insured's assignee
9 shall be notified by the insurer, health maintenance
10 organization, managed care plan, health care plan, preferred
11 provider organization, or third party administrator of any
12 known failure to provide sufficient documentation for a due
13 proof of loss within 30 days after receipt of the claim. Any
14 required interest payments shall be made within 30 days after
15 the payment.

16 The requirements of this Section shall apply to any group
17 or individual policy of accident and health insurance,
18 including insurance against disablement, delivered, issued for
19 delivery, renewed or amended on or after 180 days following the
20 effective date of this amendatory Act of 1985. The requirements
21 of this Section also shall specifically apply to any group
22 policy of dental insurance only, delivered, issued for
23 delivery, renewed or amended on or after 180 days following the
24 effective date of this amendatory Act of 1987. The changes to
25 this Section made by this amendatory Act of the 96th General
26 Assembly shall apply to any policy of group or individual

1 accident and health insurance delivered, issued for delivery,
2 renewed, or amended on or after 180 days following the
3 effective date of this amendatory Act of the 96th General
4 Assembly.

5 (Source: P.A. 91-605, eff. 12-14-99.)

6 (215 ILCS 5/357.9a) (from Ch. 73, par. 969.9a)

7 Sec. 357.9a. Delay in payment of claims. Periodic payments
8 of accrued indemnities for disablement or for loss-of-time
9 coverage under group and individual accident and health
10 policies shall commence not later than 30 days after the
11 receipt by the company of the required written proofs of loss.
12 An insurer which violates this Section if liable under said
13 policy, shall pay to the insured, in addition to any other
14 penalty provided for in this Code, interest at the rate of 9%
15 per annum from the 30th day after receipt of such proofs of
16 loss to the date of late payment of the accrued indemnities,
17 provided that interest amounting to less than one dollar need
18 not be paid.

19 (Source: P.A. 92-139, eff. 7-24-01.)".