



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB3639

Introduced 2/24/2009, by Rep. Karen May

#### SYNOPSIS AS INTRODUCED:

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

Amends the Illinois Insurance Code. Makes changes in the Section concerning the "time of payment of claims" provision required in each accident and health policy. With respect to the requirement that all claims and indemnities payable under the terms of a policy of accident and health insurance be paid within 30 days following receipt by the insurer of due proof of loss, provides that the policy of accident and health insurance includes both individual and group insurance against disablement or loss of time. Makes a change concerning application to a group policy of dental insurance. In the Section concerning a delay in payment of claims, provides that periodic payments of accrued indemnities for disablement or for loss-of-time coverage under both individual and group accident and health policies, as well as payment of accrued indemnity under any individual or group life or accidental death policy (instead of periodic payments of accrued indemnities for loss-of-time coverage under accident and health policies), shall commence not later than 30 days after the receipt by the company of the required written proof of loss.

LRB096 10057 RPM 20222 b

1 AN ACT concerning insurance.

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 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."

17 All claims and indemnities payable under the terms of a  
18 policy of accident and health insurance, including both  
19 individual and group insurance against disablement or loss of  
20 time, shall be paid within 30 days following receipt by the  
21 insurer of due proof of loss. Failure to pay within such period  
22 shall entitle the insured to interest at the rate of 9 per cent  
23 per annum from the 30th day after receipt of such proof of loss

1 to the date of late payment, provided that interest amounting  
2 to less than one dollar need not be paid. An insured or an  
3 insured's assignee shall be notified by the insurer, health  
4 maintenance organization, managed care plan, health care plan,  
5 preferred provider organization, or third party administrator  
6 of any known failure to provide sufficient documentation for a  
7 due proof of loss within 30 days after receipt of the claim.  
8 Any required interest payments shall be made within 30 days  
9 after the payment.

10 The requirements of this Section shall apply to any policy  
11 of accident and health insurance delivered, issued for  
12 delivery, renewed or amended on or after 180 days following the  
13 effective date of this amendatory Act of 1985. The requirements  
14 of this Section also shall specifically apply to any group  
15 policy of dental insurance ~~only~~, delivered, issued for  
16 delivery, renewed or amended on or after 180 days following the  
17 effective date of this amendatory Act of 1987. The changes to  
18 this Section made by this amendatory Act of the 96th General  
19 Assembly shall apply to any policy of accident and health  
20 insurance delivered, issued for delivery, renewed, or amended  
21 on or after 180 days following the effective date of this  
22 amendatory Act of the 96th General Assembly.

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

24 (215 ILCS 5/357.9a) (from Ch. 73, par. 969.9a)

25 Sec. 357.9a. Delay in payment of claims. Periodic payments

1 of accrued indemnities for disablement or for loss-of-time  
2 coverage under both individual and group accident and health  
3 policies, as well as payment of accrued indemnity under any  
4 individual or group life or accidental death policy, shall  
5 commence not later than 30 days after the receipt by the  
6 company of the required written proofs of loss. An insurer  
7 which violates this Section if liable under said policy, shall  
8 pay to the insured, in addition to any other penalty provided  
9 for in this Code, interest at the rate of 9% per annum from the  
10 30th day after receipt of such proofs of loss to the date of  
11 late payment of the accrued indemnities, provided that interest  
12 amounting to less than one dollar need not be paid.

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