



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3463

Introduced 2/24/2011, by Rep. Greg Harris

SYNOPSIS AS INTRODUCED:

215 ILCS 5/155

from Ch. 73, par. 767

Amends the Illinois Insurance Code. Provides that in any proceeding in court or in arbitration (now, in any action) by or against a company where there is at issue the liability of a company on an insurance policy or the amount of the loss payable, or for an unreasonable delay in settling a claim, the court, arbitrator, or majority of the arbitration panel may allow as part of the costs in the proceeding reasonable attorney fees and certain other costs. Makes corresponding changes in the provision concerning attorney fees.

LRB097 00014 RPM 40032 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 Section 155 as follows:

6 (215 ILCS 5/155) (from Ch. 73, par. 767)

7 Sec. 155. Attorney fees.

8 (1) In any proceeding in court or in arbitration ~~action~~ by
9 or against a company wherein there is in issue the liability of
10 a company on a policy or policies of insurance or the amount of
11 the loss payable thereunder, or for an unreasonable delay in
12 settling a claim, and it appears to the court, arbitrator, or
13 majority of the arbitration panel that such action or delay is
14 vexatious and unreasonable, the court, arbitrator, or majority
15 of the arbitration panel may allow as part of the taxable costs
16 in the proceeding ~~action~~ reasonable attorney fees, other costs,
17 plus an amount not to exceed any one of the following amounts:

18 (a) 60% of the amount which the court, ~~or~~ jury, ~~or~~
19 arbitrator, or majority of the arbitration panel finds such
20 party is entitled to recover against the company, exclusive
21 of all costs;

22 (b) \$60,000;

23 (c) the excess of the amount which the court, ~~or~~ jury, ~~or~~

1 arbitrator, or majority of the arbitration panel finds such
2 party is entitled to recover, exclusive of costs, over the
3 amount, if any, which the company offered to pay in
4 settlement of the claim prior to the proceeding ~~action~~.

5 (2) Where there are several policies insuring the same
6 insured against the same loss whether issued by the same or by
7 different companies, the court, arbitrator, or majority of the
8 arbitration panel may fix the amount of the allowance so that
9 the total attorney fees on account of one loss shall not be
10 increased by reason of the fact that the insured brings
11 separate proceedings ~~suits~~ on such policies.

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