

AN ACT concerning regulation.

**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 changing Sections 532, 538, and 538.7 as follows:

(215 ILCS 5/532) (from Ch. 73, par. 1065.82)

Sec. 532. Purpose.

(a) The purpose of this Article is to provide a mechanism for the payment of covered claims under certain insurance policies, to avoid excessive delay in payment of covered claims, to avoid financial loss to claimants or policyholders because of the entry of an Order of Liquidation against an insolvent company, including through services offered to the Director in her or his capacity as receiver under Article XIII of this Code that relate to covered claims, and to provide a Fund to assess among member companies the costs cost of such protection and maintain the continuity and self-sufficient operation of the Fund, and to offset the costs associated with maintaining the Fund's continuity and self-sufficient operations when practical by providing assistance and services to the Director in her or his capacity as receiver under Article XIII of this Code as described in this Section among member companies.

(b) The purpose of this Article is also to provide a mechanism for the Fund to participate in and facilitate the process by which the assets of an insolvent company are marshaled and distributed pursuant to Article XIII of this Code beyond reimbursing the cost of covered claims. This subsection (b) is inoperative 5 years after the effective date of this amendatory Act of the 102nd General Assembly.

(Source: P.A. 85-576.)

(215 ILCS 5/538) (from Ch. 73, par. 1065.88)

Sec. 538. Powers of the Fund. The Fund shall have the powers enumerated in the Sections following this Section and preceding Section 539 ~~538.1 through 538.8~~.

(Source: P.A. 77-305.)

(215 ILCS 5/538.7) (from Ch. 73, par. 1065.88-7)

Sec. 538.7. (a) The Fund may perform such other acts as are necessary or proper to effectuate the purposes of this Article.

(b) The Fund may contract with the Office of Special Deputy Receiver or any other person or organizations authorized by law to carry out the duties of the Director in her or his capacity as a receiver under Article XIII of this Code. The power of the Fund to contract with these persons or entities includes, but is not limited to, providing consulting services and claims administration services that assist with

these persons or entities in the performance of their respective statutory and legal functions provided by law. The Fund may only exercise the authority to contract pursuant to this subsection upon the board of director's written determination that the provisioning of such services will advance the purposes set forth in Section 532. Any contract the Fund may enter into to provide services pursuant to this subsection shall be subordinate and subject to the Fund's statutory obligations to timely pay covered claims and avoid financial loss to claimants or policyholders described in this Article.

This subsection (b) is inoperative 5 years after the effective date of this amendatory Act of the 102nd General Assembly.

(Source: P.A. 82-210.)

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