

215 ILCS 5/357.9 Time of Payment of Claims

Sec. 357.9. "TIME OF PAYMENT OF CLAIMS:

Indemnities payable under this policy for any loss other than loss for which this policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability, will be paid immediately upon receipt of due written proof."

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

The requirements of this Section shall apply to any policy of accident and health insurance delivered, issued for delivery, renewed or amended on or after 180 days following the effective date of this amendatory Act of 1985. The requirements of this Section also shall specifically apply to any group policy of dental insurance only, delivered, issued for delivery, renewed or amended on or after 180 days following the effective date of this amendatory Act of 1987.

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