

NEW ILLINOIS LAW OF TIMING OF SETTLEMENT PAYMENTS
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Spurred on by complaints of Defendants dragging their heels when paying settlements, the Illinois General Assembly passed Public Act 98-548 requiring settlement payment within 30 days of receipt of the executed release. The new law requires that Defendants present Plaintiffs with a release within 14 days of written confirmation of the settlement. Only cases involving personal injury, wrongful death, or tort actions with claims for money damages are covered; thus employment and other non-tort claims are not covered. The new law also exempts the State of Illinois, its municipalities and all class action lawsuits.

In cases with third party liens, including Medicare and Medicaid liens, Plaintiffs may present a signed release by the lien holder; agree to hold all funds in the attorney's client fund account pending final resolution; allow Defendants to hold the funds pending resolution; or agree upon other arrangements as set forth in the Act.

In the event, payment is not made timely, Plaintiffs may proceed to court and recover costs and interest on the settlement amount. Lawyers supporting the new law presented legislators with information that Defendants, particularly insurance companies, "throw up obstacles" when they are obligated to pay Plaintiffs after a settlement. Public Act 98-548 becomes effective January 1, 2014.