

215 ILCS 5/537.2

Statutes current with legislation through P.A. 103-585 of the 2024 Regular Session of the 103rd General Assembly.

Illinois Compiled Statutes Annotated > Chapter 215 INSURANCE (§§ 5/1 — 215/999) > Insurance Code (Arts. I — XLVII) > Article XXXIV. Illinois Insurance Guaranty Fund (§§ 532 — 5/553)

215 ILCS 5/537.2 Obligation of Fund.

The Fund shall be obligated to the extent of the covered claims existing prior to the entry of an Order of Liquidation against an insolvent company and arising within 30 days after the entry of such Order, or before the policy expiration date if less than 30 days after the entry of such Order, or before the insured replaces the policy or on request effects cancellation, if he does so within 30 days after the entry of such Order. If the entry of an Order of Liquidation occurs on or after October 1, 1975 and before October 1, 1977, such obligations shall not: (i) exceed \$100,000, or (ii) include any obligation to refund the first \$100 of any unearned premium claim; and if the entry of an Order of Liquidation occurs on or after October 1, 1977 and before January 1, 1988, such obligations shall not: (i) exceed \$150,000, except that this limitation shall not apply to any workers compensation claims, or (ii) include any obligation to refund the first \$100 of any unearned premium claim; and if the entry of an Order of Liquidation occurs on or after January 1, 1988 and before January 1, 2011, such obligations shall not: (i) exceed \$300,000, except that this limitation shall not apply to any workers compensation claims, or (ii) include any obligation to refund the first \$100 of any unearned premium claim or to refund any unearned premium over \$10,000 under any one policy. If the entry of an Order of Liquidation occurs on or after January 1, 2011, then such obligations shall not: (i) exceed \$500,000, except that this limitation shall not apply to any workers compensation claims or (ii) include any obligation to refund the first \$100 of any unearned premium claim or refund any unearned premium over \$10,000 under any one policy. If the entry of an Order of Liquidation occurs on or after January 1, 2023, then such obligations shall not: (i) exceed \$500,000, except that this limitation shall not apply to any workers compensation claims, or (ii) exceed without any deduction \$50,000 for any unearned premium claim or refund under any one policy. In no event shall the Fund be obligated to a policyholder or claimant in an amount in excess of the face amount of the policy from which the claim arises, including, but not limited to, any applicable specific or aggregate limits. For purposes of this Article, obligations arising under an insurance policy written to indemnify a permissibly self-insured employer under subsection (a) of Section 4 of the Workers' Compensation Act [820 ILCS 305/4] for its liability to pay workers' compensation benefits in excess of a specific or aggregate retention shall be subject to the applicable per-claim limits set forth in this Section.

In no event shall the Fund be obligated to pay an amount in excess of \$500,000 in the aggregate for all first-party and third-party claims under a policy or endorsement providing cybersecurity

insurance as defined in Section 534.9 and arising out of or related to a single insured event, regardless of the number of claims made or number of claimants.

In no event shall the Fund be liable for any interest on any judgment entered against the insured or the insolvent company, or for any other interest claim against the insured or the insolvent company, regardless of whether the insolvent company would have been obligated to pay such interest under the terms of its policy. The Fund shall be liable for interest at the statutory rate on money judgments entered against the Fund until the judgment is satisfied.

Any obligation of the Fund to defend an insured shall cease upon the Fund's payment or tender of an amount equal to the lesser of the Fund's covered claim obligation limit or the applicable policy limit.

History

P.A. 85-576; 86-1155; 86-1156; 86-1475; 92-77, § 5; 96-1450, § 5; 99-368, § 5; 2023 P.A. 103-113, § 5, effective June 30, 2023.

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