

AN ACT concerning civil law.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Code of Civil Procedure is amended by adding Part 23 to Article II as follows:

(735 ILCS 5/Art. II Pt. 23 heading new)

Part 23. Settlement

(735 ILCS 5/2-2301 new)

Sec. 2-2301. Settlement of claims; payment.

(a) In a personal injury, property damage, wrongful death, or tort action involving a claim for money damages, a release must be tendered to the plaintiff by the settling defendant within 14 days of written confirmation of the settlement. Written confirmation includes all communication by written means.

(b) In a personal injury, property damage, wrongful death, or tort action involving a claim for money damages in which the law requires court approval of a settlement, the plaintiff shall tender to the defendant a copy of the court order approving the settlement.

(c) In a personal injury, property damage, wrongful death, or tort action involving a claim for money damages in which

there is a known third-party right of recovery or subrogation interest (including attorney's liens, healthcare provider liens, or rights of recovery claimed by Medicare, the Centers for Medicare and Medicaid Services, the Illinois Department of Healthcare and Family Services, or private health insurance companies), the plaintiff may protect the third-party's right of recovery or subrogation interest, where applicable, by tendering to the defendant:

(1) A signed release of the attorney's lien.

(2) Either:

(i) a signed release of a healthcare provider lien;

or

(ii) a letter from the plaintiff's attorney agreeing to hold the full amount of the claimed lien in the plaintiff's attorney's client fund account pending final resolution of the lien amount; or

(iii) an offer that the defendant hold the full amount of the claimed right to recovery pending final resolution of the amount of the right of recovery; or

(iv) documentation of any other method of resolution of the liens as agreed by the parties.

(3) Either:

(i) documentation of the agreement between the plaintiff and Medicare, the Centers for Medicare and Medicaid Services, the Illinois Department of Healthcare and Family Services, or the private health

insurance company as to the amount of the settlement that will be accepted in satisfaction of right of recovery; or

(ii) a letter from the plaintiff's attorney agreeing to hold the full amount of the claimed right to recovery in the plaintiff's attorney's client fund account pending final resolution of the amount of the right to recovery; or

(iii) an offer that the defendant hold the full amount of the claimed right to recovery pending final resolution of the amount of the right of recovery; or

(iv) documentation of any other method of resolution of the liens as agreed by the parties.

(d) A settling defendant shall pay all sums due to the plaintiff within 30 days of tender by the plaintiff of the executed release and all applicable documents in compliance with subsections (a), (b), and (c) of this Section.

(e) If, after a hearing, the court having jurisdiction over the parties finds that timely payment has not been made by a defendant pursuant to subsection (d) of this Section, judgment shall be entered against that defendant for the amount set forth in the executed release, plus costs incurred in obtaining the judgment and interest at the rate specified under Section 2-1303 of this Code, calculated from the date of the tender by the plaintiff under subsection (d) of this Section.

(f) As used in this Section, "tender" means personal

delivery or delivery by a means providing a return receipt.

(g) This Section applies to all personal injury, property damage, wrongful death, and tort actions involving a claim for money damages, except as otherwise agreed by the parties. This Section does not apply to:

(1) the State of Illinois;

(2) any State agency, board, or Commission, as defined in Section 1-7 of the Illinois State Auditing Act;

(3) any State officer or employee sued in his or her official capacity;

(4) any person or entity that is being represented by the Attorney General and provided indemnification by the State pursuant to the State Employee Indemnification Act;

(5) any municipality or unit of local government as defined under Article VII of the Illinois Constitution; and

(6) class action lawsuits.

Section 99. Effective date. This Act takes effect January 1, 2014.