

AN ACT concerning civil law.

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

Section 5. The Insurance Claims Fraud Prevention Act is amended by changing Section 25 as follows:

(740 ILCS 92/25)

Sec. 25. Costs and proceeds of action.

(a) If the State's Attorney or Attorney General proceeds with an action brought by a person under Section 15, that person is entitled to receive an amount that the court determines is reasonable based upon the extent to which the person contributed to the prosecution of the action. Subject to subsection (d), the amount awarded to the person who brought the action shall not be less than 30% of the proceeds of the action or settlement of the claim, and shall be paid from the proceeds.

(b) If the State's Attorney or Attorney General does not proceed with an action brought by a person under Section 15, that person shall receive an amount that the court decides is reasonable for collecting the civil penalty and damages. Subject to subsection (d), the amount shall not be less than 40% of the proceeds of the action or settlement, and shall be paid from the proceeds.

(c) If the person bringing the action as a result of a violation of this Act has paid money to the defendant or to an attorney acting on behalf of the defendant in the underlying claim, then he or she shall be entitled to up to double the amount paid to the defendant or the attorney if that amount is greater than 50% of the proceeds.

(d) Where the action is one that the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action under Section 15, relating to allegations or transactions in a criminal, civil, or administrative hearing, in a legislative or administrative report, hearing, audit, or investigation, or from the news media, the court may award those sums that it considers appropriate, but in no case more than 10% of the proceeds, taking into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

(e) Any payment to a person under subsection (a), (b), (c), or (d) shall be made from the proceeds. The person shall also receive an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable attorney's fees and costs. All of those expenses, fees, and costs shall be awarded against the defendant.

(f) If a local State's Attorney has proceeded with an action under this Act, the Treasurer of the County where the action was brought shall receive an amount for reasonable

expenses that the court finds to have been necessarily incurred by the State's Attorney, including reasonable attorney's fees and costs, plus 50% of the funds not awarded to a private party. Those amounts shall be used to investigate and prosecute insurance fraud, augmenting existing budgets rather than replacing them. All remaining funds shall go to the State and be deposited in the General Revenue Fund and, when appropriated, shall be allocated to appropriate State agencies for enhanced insurance fraud investigation, prosecution, and prevention efforts.

(g) If the Attorney General has proceeded with an action under this Act, all funds not awarded to a private party, shall go to the State and be deposited in the General Revenue Fund and, when appropriated, shall be allocated to appropriate State agencies for enhanced insurance fraud investigation, prosecution, and prevention efforts.

(h) If neither a local State's Attorney or the Attorney General has proceeded with an action under this Act, 50% of the funds not awarded to a private party shall be deposited with the Treasurer of the County where the action was brought and shall be disbursed to the State's Attorney of the County where the action was brought. Those funds shall be used by the State's Attorney solely to investigate, prosecute, and prevent crime ~~insurance fraud~~, augmenting existing budgets rather than replacing them. All remaining funds shall go to the State and be deposited in the General Revenue Fund and, when

appropriated, shall be allocated to appropriate State agencies for enhanced crime ~~insurance fraud~~ investigation, prosecution, and prevention efforts.

(i) Whether or not the State's Attorney or Attorney General proceeds with the action, if the court finds that the action was brought by a person who planned and initiated the violation of this Act, that person shall be dismissed from the civil action and shall not receive any share of the proceeds of the action. The dismissal shall not prejudice the right of the State's Attorney or Attorney General to continue the action on behalf of the State.

(j) If the State's Attorney or Attorney General does not proceed with the action, and the person bringing the action conducts the action, the court may award to the defendant its reasonable attorney's fees and expenses if the defendant prevails in the action and the court finds that the claim of the person bringing the action was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment.

(Source: P.A. 92-233, eff. 1-1-02.)