

Neiman v. Economy Preferred

Plaintiffs filed a lawsuit against their insurer alleging breach of contract and statutory “bad faith” under §155 of the Illinois Insurance Code. After we successfully had the case sent to the municipal department, it went to arbitration. At the arbitration, judgment was entered in favor of the Defendant on two counts of Plaintiffs’ Complaint, including the alleged “bad faith” count, but Plaintiffs were awarded nominal damages for a breach of contract. Our client paid the judgment.

After our client paid the judgment, Plaintiffs filed a second lawsuit claiming that Defendant’s alleged delay in paying the judgment constituted an independent violation of §155. In the trial court, we argued that the terms of the statute only apply to payment of “claims” rather than “judgments.” The trial court agreed and granted summary judgment in favor of our client.

Plaintiff appealed a variety of issues. Ultimately, the Appellate Court agreed with our argument that a claim no longer existed because the value of any insurance claim already was reduced to judgment. Thus, the Court concluded §155 only applied to the payment of a “claim,” and therefore did not apply to this case. For the full text of this opinion, please contact Guy Conti of Condon & Cook, LLC or please see *Neiman v. Economy Preferred Ins. Co.*, 357 Ill. App. 3d 786; 829 N.E.2d 907 (1st Dist. 2005).