

Illinois Supreme Court to Consider Whether Punitive Damages Under the Telephone Consumer Protection Act Are Insurable

Hinshaw Alert | 1 min read

Oct 1, 2012

On September 26, 2012, the Illinois Supreme Court accepted the petition for leave to appeal in *Standard Mut. Ins. Co. v. Lay*. The insured real estate agency sent more than 3,400 unsolicited faxes, resulting in it being named as a defendant in a class action. The agency settled the lawsuit and assigned to the plaintiff class its rights to payment from the agency's insurer.

The insurer filed a declaratory judgment action. One of the issues raised by the insurer was that damages under the Telephone Consumer Protection Act (TCPA) are in the nature of punitive damages and are not insurable in Illinois. The appellate court agreed and held that the \$500 liquidated damages provided for in the TCPA are in the nature of punitive damages and not insurable as a matter of Illinois law and public policy.

Download to read the appellate court's decision in [Standard Mut. Ins. Co. v. Lay, 2012 IL App \(4th\) 1377599](#).

For more information, please contact Nancy G. Lischer or your regular [Hinshaw attorney](#).

[Download PDF](#)

This alert has been prepared by Hinshaw & Culbertson LLP to provide information on recent legal developments of interest to our readers. It is not intended to provide legal advice for a specific situation or to create an attorney-client relationship.

Related Capabilities

Appellate