

1 AN ACT concerning insurance. 47

2 Be it enacted by the People of the State of Illinois, 51
3 represented in the General Assembly: 52

4 Section 5. The Illinois Insurance Code is amended by 55
5 adding Section 507.2 as follows: 56

6 (215 ILCS 5/507.2 new) 59

7 Sec. 507.2. Policyholder information and exclusive 61
8 ownership of expirations. 62

Secretary of the Senate
Jim Lang
Originated in the Senate

9 (a) As used in this Section, "expirations" means all 64
10 information relative to an insurance policy including, but 65
11 not limited to, the name and address of the insured, the 66
12 location and description of the property insured, the value 67
13 of the insurance policy, the inception date, the renewal 68
14 date, and the expiration date of the insurance policy, the 69
15 premiums, the limits and a description of the terms and 71
16 coverage of the insurance policy, and any other personal and 73
17 privileged information, as defined by Section 1003 of this 74
18 Code, compiled by a registered firm or furnished by the 75
19 insured to the insurer or any agent, contractor, or 76
20 representative of the insurer.

21 For purposes of this Section only, a registered firm also 78
22 includes a sole proprietorship that transacts the business of 80
23 insurance as an insurance agency.

24 (b) All "expirations" as defined in subsection (a) of 82
25 this Section shall be mutually and exclusively owned by the 83
26 insured and the registered firm. The limitations on the use 84
27 of expirations as provided in subsections (c) and (d) of this 85
28 Section shall be for mutual benefit of the insured and the
29 registered firm. 86

30 (c) Except as otherwise provided in this Section, for 88
31 purposes of soliciting, selling, or negotiating the renewal 89

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1 or sale of insurance coverage, insurance products, or 90
2 insurance services or for any other marketing purpose, a 91
3 registered firm shall own and have the exclusive use of 93
4 expirations, records, and other written or electronically
5 stored information directly related to an insurance 94
6 application submitted by, or an insurance policy written 95
7 through, the registered firm. No insurance company, managing 96
8 general agent, surplus lines insurance broker, wholesale 97
9 broker, group self-insurance fund, third-party administrator, 98
10 or any other entity, other than a financial institution as 99
11 defined in Section 1402 of this Code, shall use such 100
12 expirations, records, or other written or electronically 101
13 stored information to solicit, sell, or negotiate the renewal 102
14 or sale of insurance coverage, insurance products, or 103
15 insurance services to the insured or for any other marketing 104
16 purposes, either directly or by providing such information to 105
17 others, without, separate from the general agency contract, 107
18 the written consent of the registered firm. However, such
19 expirations, records, or other written or electronically 109
20 stored information may be used for any purpose necessary for 110
21 placing such business through the insurance producer 111
22 including reviewing an application and issuing or renewing a 112
23 policy and for loss control services.

24 (d) With respect to a registered firm, this Section 114
25 shall not apply:

26 (1) when the insured requests either orally or in 116
27 writing that another registered firm obtain quotes for 117
28 insurance from another insurance company or when the 118
29 insured requests in writing individually or through 119
30 another registered firm, that the insurance company renew
31 the policy; 120

32 (2) to policies in the Illinois Fair Plan, the 122
33 Illinois Automobile Insurance Plan, or the Illinois 124
34 Assigned Risk Plan for coverage under the Workers'



1 Compensation Act and the Workers' Occupational Diseases 125
2 Act:
3 (3) when the insurance producer is employed by or 127
4 has agreed to act exclusively or primarily for one 128
5 company or group of affiliated insurance companies or to 129
6 a producer who submits to the company or group of 130
7 affiliated companies that are organized to transact
8 business in this State as a reciprocal company, as 131
9 defined in Article IV of this Code, every request or 132
10 application for insurance for the classes and lines 133
11 underwritten by the company or group of affiliated 134
12 companies;
13 (4) to policies providing life and accident and 136
14 health insurance;
15 (5) when the registered firm is in default for 138
16 nonpayment of premiums under the contract with the 139
17 insurer or is guilty of conversion of the insured's or 140
18 insurer's premiums or its license is revoked by or
19 surrendered to the Department; 141
20 (6) to any insurance company's obligations under 143
21 Sections 143.17 and 143.17a of this Code; or 144
22 (7) to any insurer that, separate from a producer 146
23 or registered firm, creates, develops, compiles, and 147
24 assembles its own, identifiable expirations as defined in 148
25 subsection (a).
26 For purposes of this Section, an insurance producer shall 150
27 be deemed to have agreed to act primarily for one company or 152
28 a group of affiliated insurance companies if the producer (i) 153
29 receives 75% or more of his or her insurance related 154
30 commissions from one company or a group of affiliated
31 companies or (ii) places 75% or more of his or her policies 155
32 with one company or a group of affiliated companies. 156
33 Nothing in this Section prohibits an insurance company, 158
34 with respect to any items herein, from conveying to the 159

1 insured or the registered firm any additional benefits or 161
 2 ownership rights including, but not limited to, the ownership 162
 3 of expirations on any policy issued or the imposition of
 4 further restrictions on the insurance company's use of the 163
 5 insured's personal information. 164

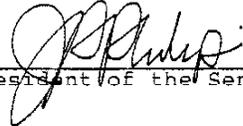
6 (e) Nothing in this Section prevents a financial 166
 7 institution, as defined in Section 1402 of this Code, from 167
 8 obtaining from the insured, the insurer, or the registered 168
 9 firm the expiration dates of an insurance policy placed on
 10 collateral or otherwise used as security in connection with a 169
 11 loan made or serviced by the financial institution when the 171
 12 financial institution requires the expiration dates for 172
 13 evidence of insurance.

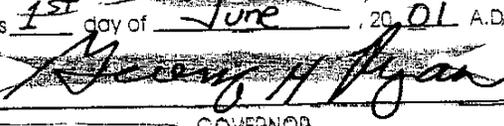
14 (f) For purposes of this Section, "financial 174
 15 institution" does not include an insurance company, 175
 16 registered firm, managing general agent, surplus lines
 17 broker, wholesale broker, group self-funded insurance fund, 176
 18 or third-party administrator. 177

19 (g) The Director may adopt rules in accordance with 179
 20 Section 401 of this Code for the enforcement of this Section. 180

21 (h) This Section applies to the expirations relative to 182
 22 all policies of insurance bound, applied for, sold, renewed, 183
 23 or otherwise taking effect on or after the effective date of 185
 24 this amendatory Act of the 92nd General Assembly.

25 Section 99. Effective date. This Act takes effect upon 188
 becoming law. 189

APPROVED  194
 President of the Senate 196

this 1st day of June, 2001 A.D.,
 Michael G. Madigan 199
 GOVERNOR Speaker, House of Representatives 200