

1 AN ACT concerning insurance.

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

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 513a13 as follows:

6 (215 ILCS 5/513a13 new)

7 Sec. 513a13. Electronic delivery of notices and documents.

8 (a) As used in this Section:

9 "Delivered by electronic means" includes:

10 (1) delivery to an electronic mail address at which a
11 party has consented to receive notices or documents; or

12 (2) posting on an electronic network or site accessible
13 via the Internet, mobile application, computer, mobile
14 device, tablet, or any other electronic device, together
15 with separate notice of the posting, which shall be
16 provided by electronic mail to the address at which the
17 party has consented to receive notice or by any other
18 delivery method that has been consented to by the party.

19 "Party" means any recipient of any notice or document
20 required as part of a premium finance agreement including, but
21 not limited to, an applicant or contracting party. For the
22 purposes of this Section, "party" includes the producer of
23 record.

1 (b) Subject to the requirements of this Section, any notice
2 to a party or any other document required under applicable law
3 in a premium finance agreement or that is to serve as evidence
4 of a premium finance agreement may be delivered, stored, and
5 presented by electronic means so long as it meets the
6 requirements of the Electronic Commerce Security Act.

7 (c) Delivery of a notice or document in accordance with
8 this Section shall be considered equivalent to any delivery
9 method required under applicable law, including delivery by
10 first class mail; first class mail, postage prepaid; certified
11 mail; certificate of mail; or certificate of mailing.

12 (d) A notice or document may be delivered by electronic
13 means by a premium finance company to a party under this
14 Section if:

15 (1) the party has affirmatively consented to that
16 method of delivery and has not withdrawn the consent;

17 (2) the party, before giving consent, is provided with
18 a clear and conspicuous statement informing the party of:

19 (A) the right of the party to withdraw consent to
20 have a notice or document delivered by electronic
21 means, at any time, and any conditions or consequences
22 imposed in the event consent is withdrawn;

23 (B) the types of notices and documents to which the
24 party's consent would apply;

25 (C) the right of a party to have a notice or
26 document delivered in paper form; and

1 (D) the procedures a party must follow to withdraw
2 consent to have a notice or document delivered by
3 electronic means and to update the party's electronic
4 mail address;

5 (3) the party:

6 (A) before giving consent, is provided with a
7 statement of the hardware and software requirements
8 for access to, and retention of, a notice or document
9 delivered by electronic means; and

10 (B) consents electronically, or confirms consent
11 electronically, in a manner that reasonably
12 demonstrates that the party can access information in
13 the electronic form that will be used for notices or
14 documents delivered by electronic means as to which the
15 party has given consent; and

16 (4) after consent of the party is given, the premium
17 finance company, in the event a change in the hardware or
18 software requirements needed to access or retain a notice
19 or document delivered by electronic means creates a
20 material risk that the party will not be able to access or
21 retain a subsequent notice or document to which the consent
22 applies:

23 (A) provides the party with a statement that
24 describes:

25 (i) the revised hardware and software
26 requirements for access to and retention of a

1 notice or document delivered by electronic means;

2 and

3 (ii) the right of the party to withdraw consent
4 without the imposition of any condition or
5 consequence that was not disclosed at the time of
6 initial consent; and

7 (B) complies with paragraph (2) of this subsection

8 (d).

9 (e) Delivery of a notice or document in accordance with
10 this Section does not affect requirements related to content or
11 timing of any notice or document required under applicable law.

12 (f) If a provision of this Section or applicable law
13 requiring a notice or document to be provided to a party
14 expressly requires verification or acknowledgment of receipt
15 of the notice or document, the notice or document may be
16 delivered by electronic means only if the method used provides
17 for verification or acknowledgment of receipt.

18 (g) The legal effectiveness, validity, or enforceability
19 of any premium finance agreement executed by a party may not be
20 denied solely because of the failure to obtain electronic
21 consent or confirmation of consent of the party in accordance
22 with subparagraph (B) of paragraph (3) of subsection (d) of
23 this Section.

24 (h) A withdrawal of consent by a party does not affect the
25 legal effectiveness, validity, or enforceability of a notice or
26 document delivered by electronic means to the party before the

1 withdrawal of consent is effective.

2 A withdrawal of consent by a party is effective within a
3 reasonable period of time after receipt of the withdrawal by
4 the premium finance company.

5 Failure by a premium finance company to comply with
6 paragraph (4) of subsection (d) of this Section and subsection
7 (j) of this Section may be treated, at the election of the
8 party, as a withdrawal of consent for purposes of this Section.

9 (i) This Section does not apply to a notice or document
10 delivered by a premium finance company in an electronic form
11 before the effective date of this amendatory Act of the 100th
12 General Assembly to a party who, before that date, has
13 consented to receive notice or document in an electronic form
14 otherwise allowed by law.

15 (j) If the consent of a party to receive certain notices or
16 documents in an electronic form is on file with a premium
17 finance company before the effective date of this amendatory
18 Act of the 100th General Assembly and, pursuant to this
19 Section, a premium finance company intends to deliver
20 additional notices or documents to the party in an electronic
21 form, then prior to delivering such additional notices or
22 documents electronically, the premium finance company shall:

23 (1) provide the party with a statement that
24 describes:

25 (A) the notices or documents that shall be
26 delivered by electronic means under this Section

1 that were not previously delivered electronically;

2 and

3 (B) the party's right to withdraw consent to
4 have notices or documents delivered by electronic
5 means without the imposition of any condition or
6 consequence that was not disclosed at the time of
7 initial consent; and

8 (2) comply with paragraph (2) of subsection (d) of
9 this Section.

10 (k) A premium finance company shall deliver a notice or
11 document by any other delivery method permitted by law other
12 than electronic means if:

13 (1) the premium finance company attempts to deliver the
14 notice or document by electronic means and has a reasonable
15 basis for believing that the notice or document has not
16 been received by the party; or

17 (2) the premium finance company becomes aware that the
18 electronic mail address provided by the party is no longer
19 valid.

20 (l) The producer of record shall not be subject to civil
21 liability for any harm or injury that occurs as a result of a
22 party's election to receive any notice or document by
23 electronic means or by a premium finance company's failure to
24 deliver a notice or document by electronic means unless the
25 harm or injury is caused by the willful and wanton misconduct
26 of the producer of record.

1 (m) This Section shall not be construed to modify, limit,
2 or supersede the provisions of the federal Electronic
3 Signatures in Global and National Commerce Act, as amended.

4 Section 99. Effective date. This Act takes effect January
5 1, 2018.