

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 delivery by
9 first class mail or first class mail, postage prepaid.

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

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14 method of delivery and has not withdrawn the consent;

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

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20 imposed in the event consent is withdrawn;

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

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

25 (D) the procedures a party must follow to withdraw
26 consent to have a notice or document delivered by

1 electronic means and to update the party's electronic
2 mail address;

3 (3) the party:

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

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

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

21 (A) provides the party with a statement that
22 describes:

23 (i) the revised hardware and software
24 requirements for access to and retention of a
25 notice or document delivered by electronic means;
26 and

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

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

6 (d).

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

10 (f) The legal effectiveness, validity, or enforceability
11 of any premium finance agreement executed by a party may not be
12 denied solely because of the failure to obtain electronic
13 consent or confirmation of consent of the party in accordance
14 with subparagraph (B) of paragraph (3) of subsection (d) of
15 this Section.

16 (g) A withdrawal of consent by a party does not affect the
17 legal effectiveness, validity, or enforceability of a notice or
18 document delivered by electronic means to the party before the
19 withdrawal of consent is effective.

20 A withdrawal of consent by a party is effective within a
21 reasonable period of time after receipt of the withdrawal by
22 the premium finance company.

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

1 (h) This Section does not apply to a notice or document
2 delivered by a premium finance company in an electronic form
3 before the effective date of this amendatory Act of the 100th
4 General Assembly to a party who, before that date, has
5 consented to receive notice or document in an electronic form
6 otherwise allowed by law.

7 (i) If the consent of a party to receive certain notices or
8 documents in an electronic form is on file with a premium
9 finance company before the effective date of this amendatory
10 Act of the 100th General Assembly and, pursuant to this
11 Section, a premium finance company intends to deliver
12 additional notices or documents to the party in an electronic
13 form, then prior to delivering such additional notices or
14 documents electronically, the premium finance company shall:

15 (1) provide the party with a statement that
16 describes:

17 (A) the notices or documents that shall be
18 delivered by electronic means under this Section
19 that were not previously delivered electronically;
20 and

21 (B) the party's right to withdraw consent to
22 have notices or documents delivered by electronic
23 means without the imposition of any condition or
24 consequence that was not disclosed at the time of
25 initial consent; and

26 (2) comply with paragraph (2) of subsection (d) of

1 this Section.

2 (j) A premium finance company shall deliver a notice or
3 document by any other delivery method permitted by law other
4 than electronic means if:

5 (1) the premium finance company attempts to deliver the
6 notice or document by electronic means and has a reasonable
7 basis for believing that the notice or document has not
8 been received by the party; or

9 (2) the premium finance company becomes aware that the
10 electronic mail address provided by the party is no longer
11 valid.

12 (k) The producer of record shall not be subject to civil
13 liability for any harm or injury that occurs as a result of a
14 party's election to receive any notice or document by
15 electronic means or by a premium finance company's failure to
16 deliver a notice or document by electronic means unless the
17 harm or injury is caused by the willful and wanton misconduct
18 of the producer of record.

19 (l) This Section shall not be construed to modify, limit,
20 or supersede the provisions of the federal Electronic
21 Signatures in Global and National Commerce Act, as amended.

22 Section 99. Effective date. This Act takes effect January
23 1, 2018.