



Sen. John J. Cullerton

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09300SB2491sam002

LRB093 20569 AMC 48802 a

1 AMENDMENT TO SENATE BILL 2491

2 AMENDMENT NO. _____. Amend Senate Bill 2491, AS AMENDED,
3 in the introductory clause of Section 5, by replacing "and
4 143.17a" with "143.17a, and 513a11"; and

5 in Section 5, immediately below Sec. 143.17a, by inserting the
6 following:

7 "(215 ILCS 5/513a11) (from Ch. 73, par. 1065.60a11)
8 Sec. 513a11. Cancellation requirements upon default.

9 (a) When a premium finance agreement contains a power of
10 attorney enabling the premium finance company to cancel any
11 insurance contract or contracts listed in the premium finance
12 agreement, the insurance contract or contracts shall not be
13 cancelled by the premium finance company unless the request for
14 cancellation is effectuated under this Section.

15 (b) Not less than 10 days written notice shall be mailed to
16 the named insured of the intent of the premium finance company
17 to cancel the insurance contract unless the default is cured
18 within the 10 day period.

19 (c) After expiration of the 10 day period, the premium
20 finance company may request, in the name of the named insured,
21 cancellation of the insurance contract or contracts by mailing
22 or hand delivering to the insurer a request for cancellation,
23 and the insurance contract shall be cancelled as if the request
24 for cancellation had been submitted by the named insured, but

1 without requiring the return of the insurance contract or
2 contracts. The premium finance company shall also mail a copy
3 of the request for cancellation to the named insured at his
4 last known address.

5 (d) All statutory, regulatory, and contractual
6 restrictions providing that the insurance contract may not be
7 cancelled unless notice is given to a governmental agency,
8 mortgagee, or other third party shall apply where cancellation
9 is effected under provisions of this Section. The insurer shall
10 give the notice to any governmental agency, mortgagee, or other
11 third party on or before the fifth business day after it
12 receives the notice of cancellation from the premium finance
13 company. For the purposes of this Section, any governmental
14 agency, mortgagee, or other third party may opt to receive
15 notices electronically.

16 (e) In the event that the collection of return premiums for
17 the account of the named insured results in a surplus over the
18 amount due from the named insured, the premium finance company
19 shall refund the excess to the named insured; however, no
20 refund is required if it amounts to less than \$5.

21 (f) All cancellation provisions required of the premium
22 finance company and insurer are applicable to any policy to
23 which Section 143.11 applies.

24 (Source: P.A. 87-811.)".