

July 30, 2010

To the Honorable Members of the Illinois Senate,
96th General Assembly:

In accordance with Article IV, Section 9(e) of the Illinois Constitution, I hereby return Senate Bill 2819 with specific recommendations for change.

This legislation would change the bearer of the burden of proof of death from the life insurance company to the claimant. Before proceeds are issued, a claimant must establish the fact of the insured's death, the claimant's identity and the claimant's interest in the insurance proceeds. Families grieving after the loss of a loved one should not be subjected to an administratively onerous process to meet this burden of proof that may result in delayed life insurance payments. Some of these families will need the policy proceeds to continue caring for survivors of the deceased. For that reason, it is imperative I recommend the due proof of death standard be changed to protect consumers.

Therefore, pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return Senate Bill 2819, entitled "AN ACT concerning insurance." with the following specific recommendations for change:

on page 6, by replacing lines 1 through 11 with the following:

"of due proof of death and not later than 2 months after the receipt of such proof. The policy may require that due proof of the death of the insured shall consist of a certified copy of the death certificate of the insured, or other lawful evidence providing equivalent information, and proof of the claimant's interest in the proceeds."; and

on page 6, line 17, by replacing "the rate" with "the annual rate"; and

by replacing line 20 on page 6 through line 6 on page 7 with the following:
"is made within 15 days after the latest of the following to occur:

(1) the date that due proof of death is received by the company;

(2) the date the company receives sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the proceeds; and

(3) the date that legal impediments to payment of proceeds that depend on the action of parties other than the company are resolved and sufficient evidence of the same is provided to the company; legal impediments to payment include, but are not limited to (i) the establishment of guardianships and conservatorships; (ii) the appointment and qualification of trustees, executors, and administrators; and (iii) the submission of information required to satisfy State and federal reporting requirements.

~~is made within fifteen (15) days from the date of receipt by the company of due proof of loss. This provision need not appear in the policy;~~ however, the company shall notify the beneficiary at the time of claim of this provision. The payment of interest shall apply to all policies ~~now~~ in force on July 24, 2001, as well as those written after July 24, 2001 (the effective date of Public Act 92-139), except that the changes made by this amendatory Act of the 96th General Assembly shall apply to all policies now in force, as well as those written after the effective date of this amendatory Act of the 96th General Assembly this amendment."

With these changes, Senate Bill 2819 will have my approval. I respectfully request your concurrence.

Sincerely,

Pat Quinn
Governor