

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  
5 adding Section 507.2 as follows:

6 (215 ILCS 5/507.2 new)

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

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

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

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

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

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

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

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

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

1        Compensation Act and the Workers' Occupational Diseases  
2        Act;

3            (3) when the insurance producer is employed by or  
4        has agreed to act exclusively or primarily for one  
5        company or group of affiliated insurance companies or to  
6        a producer who submits to the company or group of  
7        affiliated companies that are organized to transact  
8        business in this State as a reciprocal company, as  
9        defined in Article IV of this Code, every request or  
10       application for insurance for the classes and lines  
11       underwritten by the company or group of affiliated  
12       companies;

13           (4) to policies providing life and accident and  
14        health insurance;

15           (5) when the registered firm is in default for  
16        nonpayment of premiums under the contract with the  
17        insurer or is guilty of conversion of the insured's or  
18        insurer's premiums or its license is revoked by or  
19        surrendered to the Department;

20           (6) to any insurance company's obligations under  
21        Sections 143.17 and 143.17a of this Code; or

22           (7) to any insurer that, separate from a producer  
23        or registered firm, creates, develops, compiles, and  
24        assembles its own, identifiable expirations as defined in  
25        subsection (a).

26        For purposes of this Section, an insurance producer shall  
27        be deemed to have agreed to act primarily for one company or  
28        a group of affiliated insurance companies if the producer (i)  
29        receives 75% or more of his or her insurance related  
30        commissions from one company or a group of affiliated  
31        companies or (ii) places 75% or more of his or her policies  
32        with one company or a group of affiliated companies.

33        Nothing in this Section prohibits an insurance company,  
34        with respect to any items herein, from conveying to the

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

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

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

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

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

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