

1 AN ACT concerning regulation.

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 235.1 as follows:

6 (215 ILCS 5/235.1 new)

7 Sec. 235.1. Notice of cancellation; secondary addressee.

8 (a) A life company issuing an individual life insurance
9 contract on or after January 1, 2022 shall notify an
10 applicant, in writing on a form prescribed by the company at
11 the time of application for the policy, of the applicant's
12 right to designate a secondary addressee to receive notice of
13 cancellation of the policy based on nonpayment of premium. The
14 applicant may make such designation at the time of application
15 for such policy or at any time such policy is in force by
16 submitting a written notice to the insurer containing the name
17 and address of the secondary addressee.

18 (b) The insurer's transmission to a secondary addressee of
19 a copy of a notice of cancellation based on nonpayment of
20 premium shall be in addition to the transmission of the
21 original document to the policyholder. The copy of the notice
22 of cancellation transmitted to the secondary addressee shall
23 be made in the same manner and form required for the

1 transmission of the notice to the policyholder.

2 (c) The designation of a secondary addressee shall not
3 constitute acceptance of any liability on the part of the
4 secondary addressee or insurer for services provided to the
5 policyholder.

6 (d) This Section does not apply to any individual life
7 insurance contract under which premiums are payable monthly or
8 more frequently and are regularly collected by a licensed
9 agent or are paid by credit card or any preauthorized check
10 processing or automatic debit service of a financial
11 institution.

12 (e) Nothing in this Section shall prohibit an applicant or
13 policyholder from designating a life insurance agent of record
14 as his or her secondary addressee.

15 Section 99. Effective date. This Act takes effect January
16 1, 2022.