

1 AMENDMENT TO SENATE BILL 333

2 AMENDMENT NO. _____. Amend Senate Bill 333, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Insurance Code is amended by
6 adding Section 507.2 as follows:

7 (215 ILCS 5/507.2 new)

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

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

22 For purposes of this Section only, a registered firm also

1 includes a sole proprietorship that transacts the business of
2 insurance as an insurance agency.

3 (b) All "expirations" as defined in subsection (a) of
4 this Section shall be mutually and exclusively owned by the
5 insured and the registered firm. The limitations on the use
6 of expirations as provided in subsections (c) and (d) of this
7 Section shall be for mutual benefit of the insured and the
8 registered firm.

9 (c) Except as otherwise provided in this Section, for
10 purposes of soliciting, selling, or negotiating the renewal
11 or sale of insurance coverage, insurance products, or
12 insurance services or for any other marketing purpose, a
13 registered firm shall own and have the exclusive use of
14 expirations, records, and other written or electronically
15 stored information directly related to an insurance
16 application submitted by, or an insurance policy written
17 through, the registered firm. No insurance company, managing
18 general agent, surplus lines insurance broker, wholesale
19 broker, group self-insurance fund, third party administrator,
20 or any other entity shall use such expirations, records, or
21 other written or electronically stored information to
22 solicit, sell, or negotiate the renewal or sale of insurance
23 coverage, insurance products, or insurance services to the
24 insured or for any other marketing purposes, either directly
25 or by providing such information to others, except in the
26 case of a financial institution as defined by Section 1402 of
27 this Code, without, separate from the general agency
28 contract, the written consent of the registered firm.
29 However, such expirations, records, or other written or
30 electronically stored information may be used for any purpose
31 necessary for placing such business through the insurance
32 producer including reviewing an application and issuing or
33 renewing a policy and for loss control services.

34 For purposes of this Section, "financial institution"

1 does not include an insurance company, registered firm,
2 managing general agent, surplus lines broker, wholesale
3 broker, group self-funded insurance fund, or third-party
4 administrator.

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

7 (1) when the insured requests either orally or in
8 writing that another registered firm obtain quotes for
9 insurance from another insurance company or when the
10 insured requests in writing individually or through
11 another registered firm, that the insurance company renew
12 the policy;

13 (2) to policies in the Illinois Fair Plan, the
14 Illinois Automobile Insurance Plan, or the Illinois
15 Assigned Risk Plan for coverage under the Workers'
16 Compensation Act and the Workers' Occupational Diseases
17 Act;

18 (3) when the insurance producer is employed by or
19 has agreed to act exclusively or primarily for one
20 company or group of affiliated insurance companies or to
21 a producer who submits to the company or group of
22 affiliated companies that are organized to transact
23 business in this State as a reciprocal company, as
24 defined in Article IV of this Code, every request or
25 application for insurance for the classes and lines
26 underwritten by the company or group of affiliated
27 companies;

28 (4) to policies providing life and accident and
29 health insurance;

30 (5) when the registered firm is in default for
31 nonpayment of premiums under the contract with the
32 insurer or is guilty of conversion of the insured's or
33 insurer's premiums or its license is revoked by or
34 surrendered to the Department;

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

3 (7) to any insurer that, separate from a producer
4 or registered firm, creates, develops, compiles, and
5 assembles its own, identifiable expirations as defined in
6 subsection (a).

7 For purposes of this Section, an insurance producer shall
8 be deemed to have agreed to act primarily for one company or
9 a group of affiliated insurance companies if the producer (i)
10 receives 75% or more of his or her insurance related
11 commissions from one company or a group of affiliated
12 companies or (ii) places 75% or more of his or her policies
13 with one company or a group of affiliated companies.

14 Nothing in this Section prohibits an insurance company,
15 with respect to any items herein, from conveying to the
16 insured or the registered firm any additional benefits or
17 ownership rights including, but not limited to, the ownership
18 of expirations on any policy issued or the imposition of
19 further restrictions on the insurance company's use of the
20 insured's personal information.

21 (e) The Director may adopt rules in accordance with
22 Section 401 of this Code for the enforcement of this Section.

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

27 Section 99. Effective date. This Act takes effect upon
28 becoming law."