

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Insurance Code is amended by adding Section 235.1 as follows:

(215 ILCS 5/235.1 new)

Sec. 235.1. Notice of cancellation; secondary addressee.

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

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

transmission of the notice to the policyholder.

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

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

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

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