

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the  
5 Military Service Members Mortgage Life Insurance Act.

6 Section 5. Purpose. The General Assembly finds that, for  
7 the economic benefit of active duty military service members  
8 having residence in the State of Illinois, it is important to  
9 provide home-ownership security for those who are serving this  
10 State and the country. The State of Illinois should help active  
11 duty military service members procure mortgage life insurance  
12 to guard against the loss of a residence in this State from the  
13 inability to meet mortgage payments due to injuries or death as  
14 a result of service in the military.

15 Section 10. Definitions. As used in this Act:

16 "Active duty" means any duty performed in the active  
17 service of the United States Armed Forces in Iraq or  
18 Afghanistan pursuant to the orders of the President of the  
19 United States.

20 "Department" means the Department of Military Affairs.

21 "Mortgage life insurance" means insurance that will pay off  
22 all or a portion of the remaining balance of a mortgage if the  
23 policyholder dies prematurely or becomes critically ill or  
24 injured.

25 "Service member" means a member of the Illinois National  
26 Guard.

27 Section 15. Program. The Department shall establish a  
28 program for service members who are called up to active duty to  
29 assist individual service members in the procurement of  
30 mortgage life insurance and payment of premiums to protect the

1 service member from defaulting on a home mortgage due to  
2 critical injury sustained or death or critical illness caused  
3 as a result of active duty.

4 Section 20. Application.

5 (a) A service member seeking relief under this program  
6 shall apply to the Department in writing and shall include the  
7 following information:

8 (1) the name and address of the service member;

9 (2) the name and address of the bank or financial  
10 institution holding the mortgage;

11 (3) the amount of the mortgage and the amount of the  
12 monthly payment, including taxes; and

13 (4) any other information required by the Department.

14 (c) The Department shall provide written information to an  
15 applicant, upon the applicant's request, explaining the  
16 application process and detailing the purpose and function of  
17 mortgage life insurance.

18 (d) The Department shall review each application and make a  
19 determination within 30 days of the receipt of the application.

20 (e) The Department shall notify the applicant in writing of  
21 the Department's decision regarding the application within 15  
22 days of the determination.

23 Section 25. Payment. Upon approval of the application, the  
24 Department shall procure mortgage life insurance for the  
25 service member's mortgage in the name of the service member and  
26 pay all premiums for the insurance.

27 Section 30. Notification of discharge from active duty;  
28 assumption of premiums.

29 (a) A service member who has been accepted by the  
30 Department for participation in the program established under  
31 this Act must notify the Department of his or her discharge  
32 from active duty within 3 months after the discharge.

33 (b) Within 6 months after the discharge of the service

1 member from active duty, the Department shall notify the  
2 mortgage life insurer that the mortgage life insurance will be  
3 cancelled unless the service member (i) chooses to continue to  
4 pay the premiums for the mortgage life insurance and (ii)  
5 notifies the insurer within 2 months after receiving notice  
6 from the Department pursuant to subsection (c) of this Section  
7 that he or she intends to pay premiums for the mortgage life  
8 insurance.

9 (c) The Department shall send a written notice to the  
10 service member within 2 weeks after the Department provides the  
11 notice to the insurer required under subsection (b) of this  
12 Section notifying him or her that the mortgage life insurance  
13 shall be cancelled unless the service member notifies the  
14 insurer of his or her intent to continue paying premiums. The  
15 notice required under this subsection (c) shall inform the  
16 service member that notice must be sent to the insurer within 2  
17 months after the service member receives notice from the  
18 Department.

19 Section 35. Rules. The Department shall adopt rules  
20 necessary to carry out the provisions of this Act.