



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1773

Introduced 2/15/2013, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.33 new

Amends the Illinois Insurance Code. Sets forth a provision concerning electronic notices and documents. Provides that subject to certain provisions, any notice to a party or any other document required under applicable law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored, and presented by electronic means. Provides that an insurer may deliver by electronic means standard property and casualty policy documents and endorsements that do not contain personally identifiable information without the affirmative consent of a party so long as the insurer complies with certain conditions. Provides that delivery of a notice or document in accordance with the provision concerning electronic notices and documents shall be considered equivalent to any delivery method required under applicable law. Sets forth provisions concerning consent, validity, verification, and applicability.

LRB098 08676 RPM 38797 b

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 adding
5 Section 143.33 as follows:

6 (215 ILCS 5/143.33 new)

7 Sec. 143.33. Electronic notices and documents.

8 (a) In this Section, the following words have the following
9 meanings:

10 "Delivered by electronic means" means:

11 (A) delivery to an electronic mail address at which
12 a party has consented to receive notices or documents;

13 (B) posting on an electronic network or site
14 accessible via the Internet, mobile application,
15 computer, mobile device, tablet, or any other
16 electronic device, together with separate notice to a
17 party directed to the electronic mail address at which
18 the party has consented to receive notice of the
19 posting; or

20 (C) for purposes of subsection (c) of this Section
21 only, posting on the insurer's public Internet
22 website, together with separate notice to a party in
23 the manner in which the insurer customarily

1 communicates with the party.

2 "Party" means any recipient of any notice or document
3 required as part of an insurance transaction, including,
4 but not limited to, an applicant, an insured, a
5 policyholder, or an annuity contract holder.

6 (b) Subject to subsections (c) and (e) of this Section, any
7 notice to a party or any other document required under
8 applicable law in an insurance transaction or that is to serve
9 as evidence of insurance coverage may be delivered, stored, and
10 presented by electronic means.

11 (c) An insurer may deliver by electronic means standard
12 property and casualty policy documents and endorsements that do
13 not contain personally identifiable information without the
14 affirmative consent of a party so long as the insurer complies
15 with the following conditions:

16 (1) the policy and endorsements must be easily
17 accessible and remain that way for as long as the policy is
18 in force;

19 (2) after the expiration of the policy, the insurer
20 must archive its expired policies and endorsements for a
21 period of 5 years and make them available upon request;

22 (3) the policies and endorsements must be posted in a
23 manner that enables the insured to print and save the
24 policy and endorsements using programs or applications
25 that are widely available on the Internet and free to use;

26 (4) the insurer provides notice, in the manner it

1 customarily communicates with the insured, at the time of
2 issuance of the initial policy forms and any renewal forms,
3 of a method by which insureds may obtain, upon request and
4 without charge, a paper or electronic copy of their policy
5 or endorsements;

6 (5) on each declarations page issued to an insured, the
7 insurer must clearly identify the exact policy and
8 endorsement forms purchased by the insured; and

9 (6) the insurer provides notice in the manner it
10 customarily communicates with the insured of any changes to
11 the forms or endorsements, and of the insured's right to
12 obtain, upon request and without charge, a paper or
13 electronic copy of the forms or endorsements.

14 (d) Delivery of a notice or document in accordance with
15 this Section shall be considered equivalent to any delivery
16 method required under applicable law, including delivery by
17 first class mail; first class mail, postage prepaid; certified
18 mail; certificate of mail; or certificate of mailing.

19 (e) Except as described in subsection (c) of this Section,
20 a notice or document may be delivered by electronic means by an
21 insurer to a party under this Section if the party has
22 affirmatively consented to that method of delivery and has not
23 withdrawn the consent.

24 (f) This Section does not affect requirements related to
25 content or timing of any notice or document required under
26 applicable law.

1 (g) If a provision of this Code or applicable law requiring
2 a notice or document to be provided to a party expressly
3 requires verification or acknowledgment of receipt of the
4 notice or document, the notice or document may be delivered by
5 electronic means only if the method used provides for
6 verification or acknowledgment of receipt.

7 (h) The legal effectiveness, validity, or enforceability
8 of any contract or policy of insurance executed by a party may
9 not be denied solely because of the failure to obtain
10 electronic consent or confirmation of consent of the party.

11 (i) A withdrawal of consent by a party does not affect the
12 legal effectiveness, validity, or enforceability of a notice or
13 document delivered by electronic means to the party before the
14 withdrawal of consent is effective. A withdrawal of consent by
15 a party is effective within a reasonable period of time after
16 receipt of the withdrawal by the insurer.

17 (j) This Section does not apply to a notice or document
18 delivered by an insurer in an electronic form before the
19 effective date of this amendatory Act of the 98th General
20 Assembly to a party who, before that date, has consented to
21 receive notice or document in an electronic form otherwise
22 allowed by law.

23 (k) If the consent of a party to receive certain notices or
24 documents in an electronic form is on file with an insurer
25 before the effective date of this amendatory Act of the 98th
26 General Assembly and an insurer intends to deliver additional

1 notices or documents other than those described in subsection
2 (c) of this Section to the party in an electronic form, then
3 prior to delivering the additional notices or documents
4 electronically, the insurer shall notify the party of the
5 following:

6 (1) the notices or documents that may be delivered by
7 electronic means under this Section that were not
8 previously delivered electronically; and

9 (2) the party's right to withdraw consent to have
10 notices or documents delivered by electronic means.

11 For purposes of subsection (c) of this Section only, if the
12 consent of a party to receive certain notices or documents in
13 an electronic form is on file with an insurer before the
14 effective date of this amendatory Act of the 98th General
15 Assembly, and pursuant to subsection (c) of this Section an
16 insurer intends to deliver standard property and casualty
17 insurance policies and endorsements that do not contain
18 personally identifiable information to the party in an
19 electronic form, the insurer has given sufficient notice under
20 this Section if it meets the notice requirements of subsection
21 (c) of this Section.

22 (1) Except as otherwise provided by law, if an oral
23 communication or a recording of an oral communication from a
24 party can be reliably stored and reproduced by an insurer, the
25 oral communication or recording may qualify as a notice or
26 document delivered by electronic means for purposes of this

1 Section. If a provision of this Code or applicable law requires
2 a signature or notice or document to be notarized,
3 acknowledged, verified, or made under oath, the requirement is
4 satisfied if the electronic signature of the person authorized
5 to perform those acts, together with all other information
6 required to be included by the provision, is attached to or
7 logically associated with the signature, notice, or document.

8 (m) This Section may not be construed to modify, limit, or
9 supersede the provisions of the federal Electronic Signatures
10 in Global and National Commerce Act, Public Law 106-229, as
11 amended.