

AN ACT concerning insurance.

**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 513a13 as follows:

(215 ILCS 5/513a13 new)

Sec. 513a13. Electronic delivery of notices and documents.

(a) As used in this Section:

"Delivered by electronic means" includes:

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

(2) posting on an electronic network or site accessible via the Internet, mobile application, computer, mobile device, tablet, or any other electronic device, together with separate notice of the posting, which shall be provided by electronic mail to the address at which the party has consented to receive notice or by any other delivery method that has been consented to by the party.

"Party" means any recipient of any notice or document required as part of a premium finance agreement including, but not limited to, an applicant or contracting party. For the purposes of this Section, "party" includes the producer of record.

(b) Subject to the requirements of this Section, any notice to a party or any other document required under applicable law in a premium finance agreement or that is to serve as evidence of a premium finance agreement may be delivered, stored, and presented by electronic means so long as it meets the requirements of the Electronic Commerce Security Act.

(c) Delivery of a notice or document in accordance with this Section shall be considered equivalent to delivery by first class mail or first class mail, postage prepaid.

(d) A notice or document may be delivered by electronic means by a premium finance company to a party under this Section if:

(1) the party has affirmatively consented to that method of delivery and has not withdrawn the consent;

(2) the party, before giving consent, is provided with a clear and conspicuous statement informing the party of:

(A) the right of the party to withdraw consent to have a notice or document delivered by electronic means, at any time, and any conditions or consequences imposed in the event consent is withdrawn;

(B) the types of notices and documents to which the party's consent would apply;

(C) the right of a party to have a notice or document delivered in paper form; and

(D) the procedures a party must follow to withdraw consent to have a notice or document delivered by

electronic means and to update the party's electronic mail address;

(3) the party:

(A) before giving consent, is provided with a statement of the hardware and software requirements for access to, and retention of, a notice or document delivered by electronic means; and

(B) consents electronically, or confirms consent electronically, in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for notices or documents delivered by electronic means as to which the party has given consent; and

(4) after consent of the party is given, the premium finance company, in the event a change in the hardware or software requirements needed to access or retain a notice or document delivered by electronic means creates a material risk that the party will not be able to access or retain a subsequent notice or document to which the consent applies:

(A) provides the party with a statement that describes:

(i) the revised hardware and software requirements for access to and retention of a notice or document delivered by electronic means; and

(ii) the right of the party to withdraw consent without the imposition of any condition or consequence that was not disclosed at the time of initial consent; and

(B) complies with paragraph (2) of this subsection

(d).

(e) Delivery of a notice or document in accordance with this Section does not affect requirements related to content or timing of any notice or document required under applicable law.

(f) The legal effectiveness, validity, or enforceability of any premium finance agreement executed by a party may not be denied solely because of the failure to obtain electronic consent or confirmation of consent of the party in accordance with subparagraph (B) of paragraph (3) of subsection (d) of this Section.

(g) A withdrawal of consent by a party does not affect the legal effectiveness, validity, or enforceability of a notice or document delivered by electronic means to the party before the withdrawal of consent is effective.

A withdrawal of consent by a party is effective within a reasonable period of time after receipt of the withdrawal by the premium finance company.

Failure by a premium finance company to comply with paragraph (4) of subsection (d) of this Section and subsection (j) of this Section may be treated, at the election of the party, as a withdrawal of consent for purposes of this Section.

(h) This Section does not apply to a notice or document delivered by a premium finance company in an electronic form before the effective date of this amendatory Act of the 100th General Assembly to a party who, before that date, has consented to receive notice or document in an electronic form otherwise allowed by law.

(i) If the consent of a party to receive certain notices or documents in an electronic form is on file with a premium finance company before the effective date of this amendatory Act of the 100th General Assembly and, pursuant to this Section, a premium finance company intends to deliver additional notices or documents to the party in an electronic form, then prior to delivering such additional notices or documents electronically, the premium finance company shall:

(1) provide the party with a statement that describes:

(A) the notices or documents that shall be delivered by electronic means under this Section that were not previously delivered electronically; and

(B) the party's right to withdraw consent to have notices or documents delivered by electronic means without the imposition of any condition or consequence that was not disclosed at the time of initial consent; and

(2) comply with paragraph (2) of subsection (d) of

this Section.

(j) A premium finance company shall deliver a notice or document by any other delivery method permitted by law other than electronic means if:

(1) the premium finance company attempts to deliver the notice or document by electronic means and has a reasonable basis for believing that the notice or document has not been received by the party; or

(2) the premium finance company becomes aware that the electronic mail address provided by the party is no longer valid.

(k) The producer of record shall not be subject to civil liability for any harm or injury that occurs as a result of a party's election to receive any notice or document by electronic means or by a premium finance company's failure to deliver a notice or document by electronic means unless the harm or injury is caused by the willful and wanton misconduct of the producer of record.

(l) This Section shall not be construed to modify, limit, or supersede the provisions of the federal Electronic Signatures in Global and National Commerce Act, as amended.

Section 99. Effective date. This Act takes effect January 1, 2018.