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 507.2 as follows:

(215 ILCS 5/507.2 new)

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

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

For purposes of this Section only, a registered firm also includes a sole proprietorship that transacts the business of insurance as an insurance agency.

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

(c) Except as otherwise provided in this Section, for purposes of soliciting, selling, or negotiating the renewal

Originated in the Senate

Secretary of the Senate

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or sale of insurance coverage, insurance products, or insurance services or for any other marketing purpose, a registered firm shall own and have the exclusive use of expirations, records, and other written or electronically stored information directly related to an insurance application submitted by, or an insurance policy written through, the registered firm. No insurance company, managing general agent, surplus lines insurance broker, wholesale broker, group self-insurance fund, third-party administrator, or any other entity, other than a financial institution as defined in Section 1402 of this Code, shall use such expirations, records, or other written or electronically stored information to solicit, sell, or negotiate the renewal or sale of insurance coverage, insurance products, or insurance services to the insured or for any other marketing purposes, either directly or by providing such information to others, without, separate from the general agency contract, the written consent of the registered firm. However, such expirations, records, or other written or electronically stored information may be used for any purpose necessary for placing such business through the insurance producer including reviewing an application and issuing or renewing a policy and for loss control services.

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

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

(2) to policies in the Illinois Fair Plan, the Illinois Automobile Insurance Plan, or the Illinois Assigned Risk Plan for coverage under the Workers'

Compensation Act and the Workers' Occupational Diseases Act;

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

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

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

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

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

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

Nothing in this Section prohibits an insurance company, with respect to any items herein, from conveying to the

insured or the registered firm any additional benefits or ownership rights including, but not limited to, the ownership of expirations on any policy issued or the imposition of further restrictions on the insurance company's use of the insured's personal information.

(e) Nothing in this Section prevents a financial institution, as defined in Section 1402 of this Code, from obtaining from the insured, the insurer, or the registered firm the expiration dates of an insurance policy placed on collateral or otherwise used as security in connection with a loan made or serviced by the financial institution when the financial institution requires the expiration dates for evidence of insurance.

(f) For purposes of this Section, "financial institution" does not include an insurance company, registered firm, managing general agent, surplus lines broker, wholesale broker, group self-funded insurance fund, or third-party administrator.

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

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

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

APPROVED

this 1st day of June, 2001 A.D.

GOVERNOR

President of the Senate

Michael J. Madigan

Speaker, House of Representatives