

Scott Seaman Explains How Insurers Will Benefit from a New Amendment to the Illinois Biometric Privacy Law

In The News | 2 min read

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In a recent *InsuranceNewsNet* article, Scott Seaman, a Chicago-based partner and co-chair of Hinshaw's Insurance Services Group, discussed how a legislative amendment to the Illinois Biometric Information Privacy Act (BIPA) will benefit insurers and policyholders while further protecting biometric data.

The amendment, which limits claims to one per individual per violation and validates electronic signatures, seeks to reduce the risks companies face for not complying with BIPA. Seaman said that "though more needs to be done, the recent amendment "helps to limit liability," along with reducing the spike in litigation and financial risks businesses have faced since the BIPA was passed in 2008.

He also noted the amendment's larger impact on how companies manage biometric information, adding that they may avoid collecting such data or getting proper consent to reduce potential liabilities. This shift, along with the legislative change, may decrease both insurer and policyholder exposures, opening the door for more coverage options for BIPA-related risks in Illinois.

InsuranceNewsNet Excerpt:

Scott Seaman, a partner at Hinshaw & Culbertson who represents insurers and reinsurers, explained the ramifications this has on carriers in the state.

"Prospectively, BIPA liability — though still significant — is more readily containable," Seaman noted.

[...]

"Although the legislation has been on the books since 2008, for some reason, businesses were very slow to appreciate the significance of BIPA and sometimes to comply. This resulted in a delayed flurry of litigation and class actions exposing companies to large liabilities," Seaman said.

He explained that the “out of control” social inflation created challenges for Illinois companies seeking coverage, while [another source] noted that it created a “scary situation” for policyholders.

[...]

“Given that there’s a lot more certainty as to what the potential damages are as a result of BIPA violations now, I could see insurers being willing to come back to the table and underwrite these risks going forward. I could see it being a coverage that policyholders are actually able to obtain now, whereas previously, I don’t think insurers would have been willing to expressly underwrite this sort of risk.”

On the other hand, Seaman noted that companies may change their approach to biometric information collection to avoid liability entirely now that the intense litigation has raised awareness about the risk.

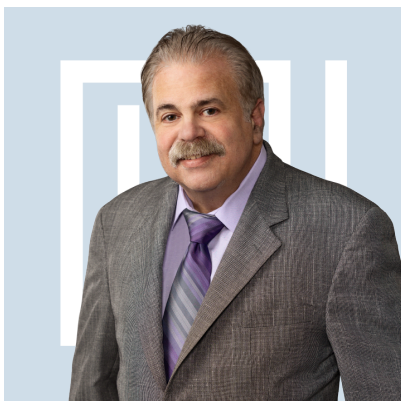
“Now that most companies are aware of BIPA, they can avoid liability by not capturing biometric information or by obtaining proper consent. Though more needs to be done, the recent amendment helps to limit liability. These developments, including the amendment to BIPA, figure to reduce insurers’ exposures insofar as their policyholders’ exposures are reduced,” Seaman said.

[Read the full article.](#)

- “[Illinois biometric law amendment brings relief to carriers](#)” was published by *InsuranceNewsNet* on September 13, 2024.

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