

SB2746



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2746

Introduced 2/4/2020, by

SYNOPSIS AS INTRODUCED:

215 ILCS 5/155.47 new
215 ILCS 5/155.48 new

Amends the Illinois Insurance Code. Prohibits mandatory arbitration clauses in fully insured life, health, or disability insurance policies. Prohibits clauses in life, health, or disability insurance policies that reserve discretion to the insurer to interpret the terms of the contract or that provide standards of interpretation or review that are inconsistent with the laws of this State. Effective immediately.

LRB101 16113 BMS 65476 b

A BILL FOR

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 Sections 155.47 and 155.48 as follows:

6 (215 ILCS 5/155.47 new)

7 Sec. 155.47. Prohibition on discretionary clauses. No
8 policy, contract, certificate, endorsement, rider application,
9 or agreement amended, delivered, issued, or renewed in this
10 State on or after January 1, 2021 to provide, deliver, arrange
11 for, pay for, or reimburse any of the costs of life and
12 accidental death and dismemberment insurance, health care
13 services, or disability income may contain a provision that
14 purports to reserve discretion to the insurer to interpret the
15 terms of the contract or to provide standards of interpretation
16 or review that are inconsistent with the laws of this State.

17 (215 ILCS 5/155.48 new)

18 Sec. 155.48. Prohibition on mandatory arbitration clauses.
19 No fully insured health, life, and disability income insurance
20 policy amended, delivered, issued, or renewed in this State on
21 or after January 1, 2021 shall require any dispute with respect
22 to coverage or the amount of reimbursement be submitted for

1 arbitration.

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