

HB5719



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5719

by Rep. Jaime M. Andrade, Jr.

SYNOPSIS AS INTRODUCED:

215 ILCS 5/155.46 new

Amends the Illinois Insurance Code. Provides that no insurance company authorized to do business in the State shall utilize price optimization to set policy rates. Effective immediately.

LRB099 15371 MLM 39632 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 Section 155.46 as follows:

6 (215 ILCS 5/155.46 new)

7 Sec. 155.46. Prohibition of price optimization.

8 (a) As used in this Section:

9 "Price optimization" means varying rates based on factors
10 other than risk of loss, including, but not limited to:

11 (1) the likelihood that a policyholder will engage in
12 activities that result in policy turnover; and

13 (2) the willingness of a policyholder to pay a higher
14 premium compared to other policyholders.

15 "Engage in activities that result in policy turnover"
16 includes, but is not limited to:

17 (1) shopping with other carriers for a lower premium;

18 (2) canceling a policy before the expiration of the
19 policy term; and

20 (3) failing to renew a policy at the renewal of the
21 policy term.

22 (b) No insurance company authorized to do business in this
23 State shall utilize price optimization to set policy rates.

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