

1 AN ACT relating to insurance.

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
5 adding Section 143.24c and changing Section 154.6 as follows:

6 (215 ILCS 5/143.24c new)

7 Sec. 143.24c. Hate crimes; coverage refusal.

8 (a) This Section applies to policies of insurance if the
9 insured or proposed insured is (1) an individual, (2) a
10 religious organization described in clause (i) of
11 subparagraph (A) of paragraph (1) of subsection (b) of
12 Section 170 of Title 26 of the United States Code, (3) an
13 educational organization described in clause (ii) of
14 subparagraph (A) of paragraph (1) of subsection (b) of
15 Section 170 of Title 26 of the United States Code, or (4) any
16 other nonprofit organization described in clause (vi) of
17 subparagraph (A) of paragraph (1) of subsection (b) of
18 Section 170 of Title 26 of the United States Code that is
19 organized and operated for religious, charitable, or
20 educational purposes.

21 (b) An insurer issuing policies subject to this Section
22 may not cancel, refuse to issue, or refuse to renew the
23 policy solely on the basis that one or more claims have been
24 made against any policy during the preceding 60 months for a
25 loss that is the result of a hate crime committed against the
26 person or property insured and the perpetrator of the loss is
27 criminally prosecuted for the act causing the loss or the
28 claim has been paid.

29 (c) As it relates to this Section, if determined by a
30 law enforcement agency, a "hate crime" may include any of the
31 following:

1 (1) By force or threat of force, willfully
2 injuring, intimidating, interfering with, oppressing, or
3 threatening any other person in the free exercise or
4 enjoyment of any right or privilege secured to him or her
5 by the Constitution or laws of this State or by the
6 Constitution or laws of the United States because of the
7 other person's race, color, religion, ancestry, national
8 origin, disability, gender, or sexual orientation or
9 because he or she perceives that the other person has one
10 or more of those characteristics. This offense, however,
11 does not include speech alone, except upon a showing that
12 the speech itself threatened violence against a specific
13 person or group of persons and that the defendant had the
14 apparent ability to carry out the threat.

15 (2) Knowingly defacing, damaging, or destroying the
16 real or personal property of any other person for the
17 purpose of intimidating or interfering with the free
18 exercise or enjoyment of any right or privilege secured
19 to the other person by the Constitution or laws of this
20 State or by the Constitution or laws of the United States
21 because of the other person's race, color, religion,
22 ancestry, national origin, disability, gender, or sexual
23 orientation or because he or she perceives that the other
24 person has one or more of those characteristics.

25 (d) Upon cancellation of or refusal to renew a policy
26 subject to this Section after an insured has submitted a
27 claim to the insurer that is the result of a hate crime
28 committed against the person or property of the insured, the
29 insurer shall report the cancellation or nonrenewal to the
30 Department.

31 (e) A violation of this Section is an improper claims
32 practice.

33 (f) Nothing in this Section prevents an insurer subject
34 to this Section from taking any of the actions specified in

1 subsection (b) on the basis of criteria not otherwise made
2 invalid by this Section or any other law or rule.

3 (215 ILCS 5/154.6) (from Ch. 73, par. 766.6)

4 Sec. 154.6. Acts constituting improper claims practice.
5 Any of the following acts by a company, if committed without
6 just cause and in violation of Section 154.5, constitutes an
7 improper claims practice:

8 (a) Knowingly misrepresenting to claimants and insureds
9 relevant facts or policy provisions relating to coverages at
10 issue.†

11 (b) Failing to acknowledge with reasonable promptness
12 pertinent communications with respect to claims arising under
13 its policies.†

14 (c) Failing to adopt and implement reasonable standards
15 for the prompt investigations and settlement of claims
16 arising under its policies.†

17 (d) Not attempting in good faith to effectuate prompt,
18 fair and equitable settlement of claims submitted in which
19 liability has become reasonably clear.†

20 (e) Compelling policyholders to institute suits to
21 recover amounts due under its policies by offering
22 substantially less than the amounts ultimately recovered in
23 suits brought by them.†

24 (f) Engaging in activity which results in a
25 disproportionate number of meritorious complaints against the
26 insurer received by the Insurance Department.†

27 (g) Engaging in activity which results in a
28 disproportionate number of lawsuits to be filed against the
29 insurer or its insureds by claimants.†

30 (h) Refusing to pay claims without conducting a
31 reasonable investigation based on all available information.†

32 (i) Failing to affirm or deny coverage of claims within
33 a reasonable time after proof of loss statements have been

1 completed.†

2 (j) Attempting to settle a claim for less than the
3 amount to which a reasonable person would believe the
4 claimant was entitled, by reference to written or printed
5 advertising material accompanying or made part of an
6 application or establishing unreasonable caps or limits on
7 paint or materials when estimating vehicle repairs.†

8 (k) Attempting to settle claims on the basis of an
9 application which was altered without notice to, or knowledge
10 or consent of, the insured.†

11 (l) Making a claims payment to a policyholder or
12 beneficiary omitting the coverage under which each payment is
13 being made.†

14 (m) Delaying the investigation or payment of claims by
15 requiring an insured, a claimant, or the physicians of either
16 to submit a preliminary claim report and then requiring
17 subsequent submission of formal proof of loss forms,
18 resulting in the duplication of verification.†

19 (n) Failing in the case of the denial of a claim or the
20 offer of a compromise settlement to promptly provide a
21 reasonable and accurate explanation of the basis in the
22 insurance policy or applicable law for such denial or
23 compromise settlement.†

24 (o) Failing to provide forms necessary to present claims
25 within 15 working days of a request with such explanations as
26 are necessary to use them effectively.†

27 (p) Failing to adopt and implement reasonable standards
28 to verify that a repairer designated by the insurance company
29 to provide an estimate, perform repairs, or engage in any
30 other service in connection with an insured loss on a vehicle
31 is duly licensed under Section 5-301 of the Illinois Vehicle
32 Code.†

33 (q) Failing to provide as a persistent tendency a
34 notification on any written estimate prepared by an insurance

1 company in connection with an insured loss that Illinois law
2 requires that vehicle repairers must be licensed in
3 accordance with Section 5-301 of the Illinois Vehicle Code.;

4 (r) Engaging in any other acts which are in substance
5 equivalent to any of the foregoing.

6 (s) Canceling, refusing to issue, or refusing to renew a
7 policy in violation of Section 143.24c.

8 (Source: P.A. 90-340, eff. 8-8-97.)