



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5619

Introduced 2/13/2026, by Rep. Sharon Chung

SYNOPSIS AS INTRODUCED:

215 ILCS 5/Art. XLVIII heading new
215 ILCS 5/1802 new
215 ILCS 5/1805 new
215 ILCS 5/1810 new
215 ILCS 5/1815 new
215 ILCS 5/1820 new

Amends the Illinois Insurance Code. Creates the Rates for Fire and Extended Coverage Insurance Article. Provides that the Article applies to policies of fire and extended coverage insurance and establishes policies that are exempt from the Article. Provides that rates shall not be excessive, inadequate, or unfairly discriminatory, as specified. Sets forth provisions concerning filing requirements for insurers in competitive and noncompetitive markets and the monitoring duties of the Director of Insurance concerning market competition and the availability of insurance for the policies of insurance to which the Article applies. Provides that a competitive market is presumed to exist for a line of insurance unless the Director, after a hearing, issues an order stating that a reasonable degree of competition does not exist in the market. Provides that the ruling of the Director regarding market competition is subject to judicial review under the Administrative Review Law. Effective January 1, 2028.

LRB104 18494 BAB 31936 b

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
5 adding Article XLVIII as follows:

6 (215 ILCS 5/Art. XLVIII heading new)

7 ARTICLE XLVIII. RATES FOR FIRE AND EXTENDED COVERAGE INSURANCE

8 (215 ILCS 5/1802 new)

9 Sec. 1802. Purpose. The purpose of this Article is to:

10 (1) Protect policyholders and the public against
11 excessive, inadequate, or unfairly discriminatory rates.

12 (2) Promote price competition among insurers to
13 provide rates that are responsive to competitive market
14 conditions.

15 (3) Provide regulatory controls in the absence of
16 competition.

17 (4) Maintain availability and reliability of
18 insurance.

19 (5) Promote the dissemination of price and other
20 information to enable consumers to purchase insurance
21 suitable for their needs and to foster competitive
22 insurance markets.

1 (215 ILCS 5/1805 new)

2 Sec. 1805. Applicability. This Article applies to policies
3 of fire and extended coverage insurance, as defined in
4 subsection (b) of Section 143.13 of this Code, to which
5 Section 143.11 of this Code applies. This Article does not
6 apply to the following:

7 (1) policies for any commercial liability and property
8 insurance;

9 (2) policies for a structure, all or part of which is
10 leased or rented, regardless of whether the insured
11 occupied all or part of the structure as a primary
12 residence;

13 (3) policies for a structure that is unoccupied and
14 intended by the insured to be sold, leased, or rented or
15 policies for a structure that is unoccupied and under
16 active construction, renovation, or substantial
17 improvement and that is intended by the insured to be
18 sold, leased, or rented; and

19 (4) policies for a home or dwelling that is part of a
20 farm policy, regardless of whether the insured owned the
21 dwelling or occupied the dwelling as a primary residence.

22 (215 ILCS 5/1810 new)

23 Sec. 1810. Rate standards. Rates shall not be excessive,
24 inadequate, or unfairly discriminatory.

1 (1) Excessive rates.

2 (A) A rate in a competitive market is not
3 excessive.

4 (B) A rate in a noncompetitive market is excessive
5 if it is likely to produce a profit that is
6 unreasonably high for the insurance provided.

7 (2) Inadequate rates. A premium level is inadequate if
8 it endangers the solvency of the insurer.

9 (3) Unfairly discriminatory rates. Unfairly
10 discriminatory rates exist if, after allowing for
11 practical limitation, the price differentials fail to
12 reflect the difference in expected losses and expenses. A
13 rate is not unfairly discriminatory if different premiums
14 result for policyholders with similar loss exposures but
15 different expenses, or similar expenses but different loss
16 exposures, so long as the rate reflects the differences
17 with reasonable accuracy.

18 (4) A rate is reasonable and not excessive,
19 inadequate, or unfairly discriminatory if it is an
20 actuarially sound estimate of the expected value of all
21 future costs associated with an individual risk transfer.

22 (215 ILCS 5/1815 new)

23 Sec. 1815. Filings of rates and other rating information.

24 (a) For the purposes of this Section, "waiting period"
25 means the period of 20 days after the rates and accompanying

1 information are filed.

2 (b) In a competitive market, every insurer shall file with
3 the Director all rates, supplementary information, and
4 supporting information for risks that are to be written in
5 this State.

6 (1) The rates and information shall be filed 20 days
7 prior to the effective date of the rates.

8 (2) A filing shall be deemed to meet the requirements
9 of this Article and to become effective upon the
10 expiration of the waiting period or sooner if approved by
11 the Director.

12 (c) In a noncompetitive market, as determined in Section
13 1820, every insurer shall file with the Director all rates for
14 that market.

15 (1) These rates, supplementary rate information, and
16 supporting information required by the Director shall be
17 filed at least 60 days prior to the effective date of the
18 rates.

19 (2) Upon application by the filing, the Director may
20 authorize an earlier effective date.

21 (d) A filing meets the requirements of this Article and is
22 effective upon the expiration of the waiting period unless
23 disapproved by the Director.

24 (e) Insurers must adhere to filings made under this
25 Section until the filings are amended or withdrawn.

1 (215 ILCS 5/1820 new)

2 Sec. 1820. Monitoring competition; determining competitive
3 markets; hearing.

4 (a) The Director shall monitor competition and the
5 availability of insurance for the policies of insurance to
6 which this Article applies.

7 (b) A noncompetitive market shall only exist wherein, over
8 a 3-year period, the Herfindahl/Hirschman Index (HII)
9 consistently remains at 1800 or above, as determined through
10 the annual cost containment report required under Section 1200
11 of this Code.

12 (c) A competitive market is presumed to exist for a line of
13 insurance unless the Director, after a hearing, issues an
14 order stating that a reasonable degree of competition does not
15 exist in the market. The burden of proof in any hearing shall
16 be placed on the party or parties advocating the position that
17 competition does not exist. Any ruling that a market is not
18 competitive shall identify the factors causing the market not
19 to be competitive. Such order shall expire no later than one
20 year after issue unless rescinded earlier by the Director or
21 unless the Director renews the rule after a hearing and a
22 finding as to the continued lack of a reasonable degree of
23 competition. Any ruling that renews the finding that
24 competition does not exist shall also identify the factors
25 that cause the market to continue not to be competitive.

26 (d) (1) In determining whether a reasonable degree of

1 competition exists within a line of insurance, the Director
2 shall consider the following factors:

3 (A) the number of insurers actively engaged in writing
4 coverage;

5 (B) market shares of the leading writers and the
6 changes in market shares over a reasonable period of time;

7 (C) the existence of financial or economic barriers
8 that could prevent new firms from entering the market;

9 (D) measures of market concentration and changes of
10 market concentration over time;

11 (E) whether long-term profitability for insurers in
12 the market is reasonable in relation to industries of
13 comparable business risk; and

14 (F) the relationship of insurers' costs to revenue
15 over a reasonable period of time.

16 (2) All determinations by the Director shall be made on
17 the basis of findings of fact and conclusions of law.

18 (3) The ruling of the Director under this Section is
19 subject to judicial review under the Administrative Review
20 Law.

21 (e) The Director shall maintain by year whether the market
22 is competitive as of December 31 of each year.

23 Section 99. Effective date. This Act takes effect January
24 1, 2028.