

SB1967



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1967

Introduced 2/10/2017, by Sen. Tom Rooney

SYNOPSIS AS INTRODUCED:

215 ILCS 5/154

from Ch. 73, par. 766

Amends the Illinois Insurance Code. Provides that if a company opts not to obtain readily available information for named insureds and drivers provided by the applicant at the time of application to underwrite the risk prior to issuing the policy, the company shall not defeat, avoid, or rescind the policy of insurance based on obtaining the readily available information after a loss has occurred or a claim is filed. Defines "readily available information".

LRB100 09325 SMS 19486 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
5 changing Section 154 as follows:

6 (215 ILCS 5/154) (from Ch. 73, par. 766)

7 Sec. 154. Misrepresentations and false warranties.

8 (a) No misrepresentation or false warranty made by the
9 insured or in his behalf in the negotiation for a policy of
10 insurance, or breach of a condition of such policy shall defeat
11 or avoid the policy or prevent its attaching unless such
12 misrepresentation, false warranty or condition shall have been
13 stated in the policy or endorsement or rider attached thereto,
14 or in the written application therefor. No such
15 misrepresentation or false warranty shall defeat or avoid the
16 policy unless it shall have been made with actual intent to
17 deceive or materially affects either the acceptance of the risk
18 or the hazard assumed by the company. With respect to a policy
19 of insurance as defined in subsection (a), (b), or (c) of
20 Section 143.13, except life, accident and health, fidelity and
21 surety, and ocean marine policies, a policy or policy renewal
22 shall not be rescinded after the policy has been in effect for
23 one year or one policy term, whichever is less. This Section

1 shall not apply to policies of marine or transportation
2 insurance.

3 (b) If a company opts not to obtain readily available
4 information for named insureds and drivers provided by the
5 applicant at the time of application to underwrite the risk
6 prior to issuing the policy, the company shall not defeat,
7 avoid, or rescind the policy of insurance based on obtaining
8 the readily available information after a loss has occurred or
9 a claim is filed.

10 As used in this subsection, "readily available
11 information" means information that appears on the motor
12 vehicle record (MVR) maintained by the Secretary of State or
13 the LexisNexis Comprehensive Loss Underwriting Exchange
14 (C.L.U.E.) Auto Reports, or the corresponding subsequent
15 equivalent.

16 (Source: P.A. 89-413, eff. 6-1-96.)