



Rep. Thaddeus Jones

Filed: 4/17/2024

10300HB4611ham005

LRB103 37111 RPS 72541 a

1 AMENDMENT TO HOUSE BILL 4611

2 AMENDMENT NO. _____. Amend House Bill 4611 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Section 424 and by adding Sections 143.19.4,
6 143.19.5, and 143.19.6 as follows:

7 (215 ILCS 5/143.19.4 new)

8 Sec. 143.19.4. Standards applicable to certain vehicle
9 insurance rates.

10 (a) This Section applies to insurance on risks in this
11 State described in clause (b) of Class 2 and clause (e) of
12 Class 3 of Section 4 of this Code.

13 (b) The following standards shall apply to the making and
14 use of rates pertaining to the classes of insurance to which
15 this Section applies:

16 (1) Rates shall not be excessive, inadequate, or

1 unfairly discriminatory.

2 (2) An insurer shall use methods based on sound
3 actuarial principles.

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

7 (4) A rate is not inadequate unless the rate is
8 insufficient to sustain projected losses and expenses in
9 the class of insurance to which it applies or the use of
10 such rate has or, if continued, will endanger the solvency
11 of the insurer using it, or have the effect of
12 substantially lessening competition or the tendency to
13 create a monopoly in any market.

14 (5) Unfair discrimination in insurance rates is
15 prohibited. Unfair discrimination exists if, after
16 allowing for practical limitations, price differentials
17 fail to reflect equitably the differences in expected
18 losses and expenses. If unfair discrimination is found,
19 the Department of Insurance may require corrective action
20 from the insurance producer to take effect in the
21 following calendar year. The Department of Insurance may
22 also issue a fine of \$5,000 per instance of unfair
23 discrimination.

24 (c) Nothing in this Section shall be construed as a
25 requirement on the Department to review or approve rating
26 information regularly filed with the Department or to limit or

1 define the scope of the Department's authority to review that
2 rating information. Upon request, an insurance company is
3 required to provide the Department any information the
4 Department deems relevant to a company's compliance with this
5 Section.

6 (215 ILCS 5/143.19.5 new)

7 Sec. 143.19.5. The Automobile Insurance Affordability and
8 Availability Task Force.

9 (a) The Automobile Insurance Affordability and
10 Availability Task Force is created. The Department of
11 Insurance shall provide administrative support to the Task
12 Force. The Task Force shall study and report on the Illinois
13 automobile insurance industry and regulatory environment and
14 the impacts of current practices and regulations on the
15 overall availability and affordability of automobile
16 insurance. The report shall incorporate data and conclusions
17 from other jurisdictions, but shall focus on providing
18 analyses and recommendations specific to the Illinois
19 marketplace. The Task Force shall, at a minimum, consider the
20 following issues and may make recommendations to address any
21 findings based on its consideration of those issues:

22 (1) National trends and data on availability and
23 affordability of automobile insurance in Illinois and
24 other jurisdictions.

25 (2) Rate approval regimes in other jurisdictions,

1 including their relative impact on affordability and
2 availability, time and cost efficiency for regulators and
3 taxpayers, and expected impact on residual markets.

4 (3) Current automobile insurance rating practices in
5 Illinois and the impact a rate review mechanism would have
6 on premiums in that market.

7 (4) Inflationary pressures on insurance affordability,
8 including, but not limited to, the cost of vehicle parts,
9 vehicle repair labor, and medical costs.

10 (5) Driving behavior, as well as trends relating to
11 driving under the influence of alcohol, speeding,
12 distracted driving, red light enforcement, and other
13 enforcement, including, but not limited to, the analysis
14 and recommendations identified in the 2024 Roadmap to
15 Safety by Advocates for Highway and Auto Safety.

16 (6) Automobile-related tort and litigation trends,
17 including, but not limited to, the effect of assignments
18 of benefits.

19 (7) The impact of prohibiting rate-making based on
20 credit score, gender, age, or lack of prior insurance
21 would have on automobile insurance premiums in Illinois.

22 (8) The impact that Section 143.19.6 has on the
23 automobile insurance marketplace.

24 The Task Force shall compile a report on its findings and
25 submit that report to the Governor and the General Assembly on
26 or before August 30, 2026.

1 (b) The Task Force, with respect to consumer education,
2 shall review, assess, develop, and make available to consumers
3 educational materials based on Regulatory Resources for
4 Consumers on Personal Lines Pricing and Underwriting and the
5 Consumer's Guide to Auto Insurance published by the National
6 Association of Insurance Commissioners.

7 (c) The Task Force shall include the following
8 individuals:

9 (1) The Secretary of State or the Secretary's
10 designee, who shall serve as chair of the Task Force.

11 (2) The Director of Insurance or the Director's
12 designee.

13 (3) The Secretary of Transportation or the Secretary's
14 designee.

15 (4) One member of the House of Representatives,
16 appointed by the Speaker of the House of Representatives.

17 (5) One member of the House of Representatives,
18 appointed by the Minority Leader of the House of
19 Representatives.

20 (6) One member of the Senate, appointed by the
21 President of the Senate.

22 (7) One member of the Senate, appointed by the Senate
23 Minority Leader.

24 (8) One representative from a non-profit consumer
25 organization that serves to protect the interests of
26 Illinois consumers as it relates to the regulation of

1 insurance, appointed by the Governor.

2 (9) One representative from an organization
3 representing the interests of minority or economically
4 disadvantaged populations, appointed by the Governor.

5 (10) One representative from a trade organization
6 representing the insurance industry in Illinois, appointed
7 by the Governor.

8 (11) One representative from a national trade
9 organization representing property and casualty insurers,
10 appointed by the Governor.

11 (12) One representative from a national trade
12 organization representing mutual insurance companies,
13 appointed by the Governor.

14 (13) One representative from a national trade
15 association representing insurance compliance
16 professionals, appointed by the Governor.

17 (14) One representative from a trade organization
18 representing insurance agents, appointed by the Governor.

19 The appointments made under paragraphs (4) through (14) of
20 this subsection shall be made no later than February 1, 2025.

21 (d) Subject to appropriation, the Office of Risk
22 Management and Insurance Research at the University of
23 Illinois shall provide technical support and guidance to the
24 Task Force on matters of insurance marketplace analysis,
25 including conducting market studies as requested by the Task
26 Force.

1 (e) Subject to appropriation, the Task Force shall engage
2 with a third-party actuarial firm to oversee the technical
3 analysis of the Illinois insurance market and the
4 determinations of what impacts, if any, rate review and the
5 prohibition of rate-making based on factors set forth in
6 paragraph (7) of subsection (a) would have on the Illinois
7 insurance market.

8 (f) A majority of the voting members of the Task Force
9 constitutes a quorum for the transacting of business. Official
10 action by the Task Force requires the approval of a majority of
11 the members of the Task Force.

12 (g) The Task Force shall meet at least quarterly but may
13 meet more often if needed to fulfill any of its duties.

14 (h) The Task Force is dissolved and this Section is
15 repealed on January 1, 2028.

16 (215 ILCS 5/143.19.6 new)

17 Sec. 143.19.6. Use of credit score and age in determining
18 rates or premiums for certain vehicle insurance; prohibited.

19 (a) When determining rates or premiums for insurance on
20 risks in this State as described in clause (b) of Class 2 and
21 clause (e) of Class 3 of Section 4 of this Code, insurance
22 issuers may not consider or otherwise use an individual's
23 credit-based insurance score, or otherwise use an individual's
24 credit score.

25 (b) A policy of automobile insurance, including any class

1 of motor vehicle coverage, may not be canceled by the insurer
2 solely because the insured has reached the age of 65 years so
3 long as the insured has a valid Illinois driver's license. An
4 insurer shall not refuse to issue a renewal policy or increase
5 the premium for any policy solely because an insured has
6 reached the age of 65 years.

7 (c) This Section is repealed January 1, 2028.

8 (215 ILCS 5/424) (from Ch. 73, par. 1031)

9 Sec. 424. Unfair methods of competition and unfair or
10 deceptive acts or practices defined. The following are hereby
11 defined as unfair methods of competition and unfair and
12 deceptive acts or practices in the business of insurance:

13 (1) The commission by any person of any one or more of
14 the acts defined or prohibited by Sections 134, 143.24c,
15 147, 148, 149, 151, 155.22, 155.22a, 155.42, 236, 237,
16 364, 469, and 513b1 of this Code.

17 (2) Entering into any agreement to commit, or by any
18 concerted action committing, any act of boycott, coercion
19 or intimidation resulting in or tending to result in
20 unreasonable restraint of, or monopoly in, the business of
21 insurance.

22 (3) Making or permitting, in the case of insurance of
23 the types enumerated in Classes 1, 2, and 3 of Section 4,
24 any unfair discrimination between individuals or risks of
25 the same class or of essentially the same hazard and

1 expense element because of the race, color, religion, or
2 national origin of such insurance risks or applicants. The
3 application of this Article to the types of insurance
4 enumerated in Class 1 of Section 4 shall in no way limit,
5 reduce, or impair the protections and remedies already
6 provided for by Sections 236 and 364 of this Code or any
7 other provision of this Code.

8 (4) Engaging in any of the acts or practices defined
9 in or prohibited by Sections 154.5 through 154.8 of this
10 Code.

11 (5) Making or charging any rate for insurance against
12 losses arising from the use or ownership of a motor
13 vehicle which requires a higher premium of any person by
14 reason of his physical disability, race, color, religion,
15 gender, or national origin.

16 (6) Failing to meet any requirement of the Unclaimed
17 Life Insurance Benefits Act with such frequency as to
18 constitute a general business practice.

19 (Source: P.A. 102-778, eff. 7-1-22.)

20 Section 10. The Illinois Vehicle Code is amended by adding
21 Section 7-612 as follows:

22 (625 ILCS 5/7-612 new)

23 Sec. 7-612. Exemption upon demonstration of financial
24 need. Upon a verified demonstration of financial need by the

1 owner, the Secretary may waive the reinstatement fee
2 established in Section 7-606.

3 Section 99. Effective date. This Act takes effect January
4 1, 2025.".