

# SB2208



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2208

Introduced 12/14/2015, by Sen. Jacqueline Y. Collins

#### SYNOPSIS AS INTRODUCED:

215 ILCS 157/20

Amends the Use of Credit Information in Personal Insurance Act. Provides that an insurer authorized to do business in the State shall not use a consumer's credit information or credit report to calculate an insurance score for private passenger automobile insurance policies amended, delivered, issued, or renewed on or after the effective date of the amendatory Act.

LRB099 15683 MLM 39978 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 Use of Credit Information in Personal  
5 Insurance Act is amended by changing Section 20 as follows:

6 (215 ILCS 157/20)

7 Sec. 20. Use of credit information.

8 (a) An insurer authorized to do business in this State that  
9 uses credit information to underwrite or rate risks shall not:

10 (1) Use an insurance score that is calculated using  
11 income, gender, address, ethnic group, religion, marital  
12 status, or nationality of the consumer as a factor.

13 (2) Deny, cancel, or nonrenew a policy of personal  
14 insurance solely on the basis of credit information,  
15 without consideration of any other applicable underwriting  
16 factor independent of credit information and not expressly  
17 prohibited by item (1). An insurer shall not be considered  
18 to have denied, cancelled, or nonrenewed a policy if  
19 coverage is available through an affiliate. If an insurer  
20 denies, cancels, or does not renew a policy of personal  
21 insurance based on credit information, it must provide the  
22 affected party with a notice as described in Section 35 of  
23 this Act and an opportunity for the affected party to

1 explain its credit information under the procedures  
2 outlined in Section 22 of this Act.

3 (3) Base an insured's renewal rates for personal  
4 insurance solely upon credit information, without  
5 consideration of any other applicable factor independent  
6 of credit information. An insurer shall not be considered  
7 to have based rates solely on credit information if  
8 coverage is available in a different tier of the same  
9 insurer.

10 (4) Take an adverse action against a consumer solely  
11 because he or she does not have a credit card account,  
12 without consideration of any other applicable factor  
13 independent of credit information.

14 (5) Consider an absence of credit information or an  
15 inability to calculate an insurance score in underwriting  
16 or rating personal insurance, unless the insurer does one  
17 of the following:

18 (A) Treats the consumer as otherwise filed with the  
19 Department, if the insurer presents information that  
20 such an absence or inability relates to the risk for  
21 the insurer and submits a filing certification form  
22 signed by an officer for the insurer certifying that  
23 such treatment is actuarially justified.

24 (B) Treats the consumer as if the applicant or  
25 insured had neutral credit information, as defined by  
26 the insurer.

1 (C) Excludes the use of credit information as a  
2 factor and uses only other underwriting criteria.

3 (6) Take an adverse action against a consumer based on  
4 credit information, unless an insurer obtains and uses a  
5 credit report issued or an insurance score calculated  
6 within 90 days from the date the policy is first written or  
7 renewal is issued.

8 (7) (Blank).

9 (8) Use the following as a negative factor in any  
10 insurance scoring methodology or in reviewing credit  
11 information for the purpose of underwriting or rating a  
12 policy of personal insurance:

13 (A) Credit inquiries not initiated by the consumer  
14 or inquiries requested by the consumer for his or her  
15 own credit information.

16 (B) Inquiries relating to insurance coverage, if  
17 so identified on a consumer's credit report.

18 (C) Collection accounts with a medical industry  
19 code, if so identified on the consumer's credit report.

20 (D) Multiple lender inquiries, if coded by the  
21 consumer reporting agency on the consumer's credit  
22 report as being from the home mortgage industry and  
23 made within 30 days of one another, unless only one  
24 inquiry is considered.

25 (E) Multiple lender inquiries, if coded by the  
26 consumer reporting agency on the consumer's credit

1 report as being from the automobile lending industry  
2 and made within 30 days of one another, unless only one  
3 inquiry is considered.

4 (a-1) Notwithstanding any other provision of this Section  
5 to the contrary, an insurer authorized to do business in this  
6 State shall not use a consumer's credit information or credit  
7 report to calculate an insurance score for private passenger  
8 automobile insurance policies amended, delivered, issued, or  
9 renewed on or after the effective date of this amendatory Act  
10 of the 99th General Assembly.

11 (b) An insurer authorized to do business in this State that  
12 uses credit information to underwrite or rate risks shall, at  
13 annual renewal upon the request of an insured or an insured's  
14 agent, re-underwrite and re-rate the insured's personal  
15 insurance policy based on a current credit report or insurance  
16 score unless one of the following applies:

17 (1) The insurer's treatment of the consumer is  
18 otherwise approved by the Department.

19 (2) The insured is in the most favorably priced tier of  
20 the insurer, within a group of affiliated insurers.

21 (3) Credit information was not used for underwriting or  
22 rating the insured when the personal insurance policy was  
23 initially written.

24 (4) The insurer reevaluates the insured at least every  
25 36 months after a personal insurance policy is issued based  
26 on underwriting or rating factors other than credit

1 information.

2 (5) The insurer has recalculated an insurance score or  
3 obtained an updated credit report of a consumer in the  
4 previous 12-month period.

5 An insurer that uses credit information to underwrite or rate  
6 risks may obtain current credit information upon the renewal of  
7 a personal insurance policy when renewal occurs more frequently  
8 than every 36 months if consistent with the insurer's  
9 underwriting guidelines.

10 (Source: P.A. 96-560, eff. 8-18-09.)