

1 AN ACT concerning 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 changing Section 1011 and adding Section 155.37 as follow:

6 (215 ILCS 5/155.37 new)

7 Sec. 155.37. Use of credit information in underwriting.

8 (a) If an insurer, or an agent on behalf of an insurer,
9 uses credit criteria or a credit score, in whole or in part,
10 as a reason to cancel or refuse to renew coverage or to
11 refuse to underwrite for a particular insurance risk or class
12 of risk, the credit criteria or credit score must be
13 established and used in a manner that:

14 (1) is not based, in whole or in part, on the
15 income, gender, race, color, religion, or national origin
16 of an applicant or insured; and

17 (2) otherwise complies with Article XXVI of this
18 Code.

19 (b) The credit criteria or credit scoring may not be
20 used as a sole determinant for either the refusal to issue or
21 the refusal to renew a policy.

22 (215 ILCS 5/1011) (from Ch. 73, par. 1065.711)

23 Sec. 1011. Reasons for Adverse Underwriting Decisions.

24 (A) In the event of an adverse underwriting decision the
25 insurance institution or agent responsible for the decision
26 shall:

27 (1) either provide the applicant, policyholder or
28 individual proposed for coverage with the specific reason
29 or reasons for the adverse underwriting decision in
30 writing or advise such person that upon written request

1 he or she may receive the specific reason or reasons in
2 writing; ~~and~~

3 (2) provide the applicant, policyholder or
4 individual proposed for coverage with a summary of the
5 rights established under subsection (B) and Sections 1009
6 and 1010 of this Article; ~~and~~.

7 (3) if the adverse underwriting decision is based
8 upon a report of credit worthiness, credit standing, or
9 credit capacity that a company receives from a consumer
10 reporting agency, the company must also provide in
11 writing to the applicant, policyholder, or individual
12 proposed for coverage the specific reason or reasons,
13 including credit score, codes, or other credit-based
14 information used by the company in its underwriting, and
15 if the information is based upon a credit score or code,
16 the company must provide a written, easily understandable
17 explanation of the score or code and the name, address,
18 and telephone number of the consumer reporting agency
19 that provided the information.

20 (B) Upon receipt of a written request within 90 business
21 days from the date of the mailing of notice or other
22 communication of an adverse underwriting decision to an
23 applicant, policyholder or individual proposed for coverage,
24 the insurance institution or agent shall furnish to such
25 person within 21 business days from the date of receipt of
26 such written request:

27 (1) the specific reason or reasons for the adverse
28 underwriting decision, in writing, if such information
29 was not initially furnished in writing pursuant to
30 paragraph (1) of subsection (A);

31 (2) the specific items of personal and privileged
32 information that support those reasons; provided,
33 however:

34 (a) the insurance institution or agent shall

1 not be required to furnish specific items of
2 privileged information if it has reasonable
3 suspicion, based upon specific information available
4 for review by the Director, that the applicant,
5 policyholder or individual proposed for coverage has
6 engaged in criminal activity, fraud, material
7 misrepresentation or material nondisclosure, and

8 (b) specific items of medical-record
9 information supplied by a medical-care institution
10 or medical professional shall be disclosed either
11 directly to the individual about whom the
12 information relates or to a medical professional
13 designated by the individual and licensed to provide
14 medical care with respect to the condition to which
15 the information relates, whichever the insurance
16 institution or agent prefers; and

17 (3) the names and addresses of the institutional
18 sources that supplied the specific items of information
19 pursuant to paragraph (2) of subsection (B); provided,
20 however, that the identity of any medical professional or
21 medical-care institution shall be disclosed either
22 directly to the individual or to the designated medical
23 professional, whichever the insurance institution or
24 agent prefers.

25 (C) The obligations imposed by this Section upon an
26 insurance institution or agent may be satisfied by another
27 insurance institution or agent authorized to act on its
28 behalf.

29 (D) When an adverse underwriting decision results solely
30 from an oral request or inquiry, the explanation of reasons
31 and summary of rights required by subsection (A) may be given
32 orally.

33 (Source: P.A. 82-108.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.