

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Use of Credit Information in Personal Insurance Act is amended by changing Section 20 as follows:

(215 ILCS 157/20)

Sec. 20. Use of credit information.

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

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

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

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

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

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

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

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

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

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

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

(7) (Blank). ~~Use credit information unless not later than every 36 months following the last time that the insurer obtained current credit information for the insured, the insurer recalculates the insurance score or obtains an updated credit report. Regardless of the other requirements of this Section:~~

~~(A) At annual renewal, upon the request of a consumer or the consumer's agent, the insurer shall re-underwrite and re-rate the policy based upon a current credit report or insurance score. An insurer need not recalculate the insurance score or obtain the updated credit report of a consumer more frequently than once in a 12-month period.~~

~~(B) The insurer shall have the discretion to obtain current credit information upon any renewal before the expiration of 36 months, if consistent with its underwriting guidelines.~~

~~(C) An insurer is not required to obtain current credit information for an insured, despite the~~

~~requirements of subitem (A) of item (7) of this Section if one of the following applies:~~

~~(a) The insurer is treating the consumer as otherwise filed with the Department.~~

~~(b) The insured is in the most favorably priced tier of the insurer, within a group of affiliated insurers. However, the insurer shall have the discretion to order credit information, if consistent with its underwriting guidelines.~~

~~(c) Credit was not used for underwriting or rating the insured when the policy was initially written. However, the insurer shall have the discretion to use credit for underwriting or rating the insured upon renewal, if consistent with its underwriting guidelines.~~

~~(d) The insurer re-evaluates the insured beginning no later than 36 months after inception and thereafter based upon other underwriting or rating factors, excluding credit information.~~

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

(A) Credit inquiries not initiated by the consumer or inquiries requested by the consumer for his or her

own credit information.

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

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

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

(E) Multiple lender inquiries, if coded by the consumer reporting agency on the consumer's credit report as being from the automobile lending industry and made within 30 days of one another, unless only one inquiry is considered.

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

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

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

(3) Credit information was not used for underwriting or

rating the insured when the personal insurance policy was initially written.

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

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

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

(Source: P.A. 93-114, eff. 10-1-03; 93-477, eff. 10-1-03.)

Section 10. The Public Utilities Act is amended by adding Section 8-101.5 as follows:

(220 ILCS 5/8-101.5 new)

Sec. 8-101.5. Use of credit information of prospective and existing customers. A public utility may not deny, cancel, or nonrenew utility service solely on the basis of credit information of prospective or existing customers. If a public utility denies, cancels, or does not renew service based on credit information, it must provide the affected party with an

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explanation for the public utility's action and an opportunity for the affected party to explain its credit information. This Section does not apply to a telecommunications carrier or any of its affiliates.

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