**Section 2603.40 Rates**

a) No insurance company shall place a risk in a rating classification on the basis of sex, sexual orientation or marital status or otherwise differentiate in rates on the basis of sex, sexual orientation or marital status unless that classification or differentiation is based upon expected claim costs and expenses derived by applying sound actuarial principles to relevant and reasonably current company or intercompany studies, claim costs, and expense experience. After July 1, 1979, no company shall charge a differential by sex, sexual orientation or marital status larger than the differential indicated by the criterion stated in this Section.

b) No insurance company shall use separate rating classifications or otherwise differentiate in rates on the basis of actual or perceived gender identity, or on the basis that the insured or prospective insured is a transgender person, or on the basis that the insured or prospective insured has undergone, or is in the process of undergoing, gender transition, unless the classification or differentiation is based upon expected claim costs and expenses derived by applying sound actuarial principles to relevant and reasonably current company or intercompany studies, claim costs, and expense experience. After August 1, 2020, no company shall charge a differential by actual or perceived gender identity, or by the fact that the insured or prospective insured is a transgender person, or on the basis that the insured or prospective insured has undergone, or is in the process of undergoing, gender transition, that is larger than the differential indicated by the criterion stated in this Section. Nothing in this Section otherwise prohibits a company from recognizing an individual's gender identity to the extent requested by the individual.

c) An insurer shall, upon request of the Director, justify that any classification or differentiation described in this Section equitably and reasonably reflects differences in expected claim costs and expenses.

(Source: Amended at 44 Ill. Reg. 13352, effective July 31, 2020)