



Sen. Daniel Biss

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10000SB1706sam002

LRB100 11335 SMS 26045 a

1 AMENDMENT TO SENATE BILL 1706

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1706 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by  
5 adding Section 143.24e as follows:

6 (215 ILCS 5/143.24e new)

7 Sec. 143.24e. ZIP code discrimination prohibited.  
8 Notwithstanding any other provision of law, an insurer  
9 authorized to do business in this State may not use a person's  
10 ZIP code in underwriting or rating automobile insurance,  
11 including the determination of premium rates.

12 Section 10. The Use of Credit Information in Personal  
13 Insurance Act is amended by changing Section 20 as follows:

14 (215 ILCS 157/20)

1           Sec. 20. Use of credit information.

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

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

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

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

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

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

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

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

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

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

25           (7) (Blank).

26           (8) Use the following as a negative factor in any

1 insurance scoring methodology or in reviewing credit  
2 information for the purpose of underwriting or rating a  
3 policy of personal insurance:

4 (A) Credit inquiries not initiated by the consumer  
5 or inquiries requested by the consumer for his or her  
6 own credit information.

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

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

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

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

21 (a-1) Notwithstanding any other provision of this Section  
22 to the contrary, an insurer authorized to do business in this  
23 State shall not use a consumer's credit information or credit  
24 report to calculate classification plans, rating plans, rating  
25 tier placement factors, scoring models, rules, rates,  
26 premiums, or any other method of establishing the premium to be

1 paid by an automobile insurance policyholder or covered driver,  
2 and the modification of any of the foregoing, for private  
3 passenger automobile insurance policies amended, delivered,  
4 issued, or renewed on or after the effective date of this  
5 amendatory Act of the 100th General Assembly.

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

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

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

16 (3) Credit information was not used for underwriting or  
17 rating the insured when the personal insurance policy was  
18 initially written.

19 (4) The insurer reevaluates the insured at least every  
20 36 months after a personal insurance policy is issued based  
21 on underwriting or rating factors other than credit  
22 information.

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

26 An insurer that uses credit information to underwrite or rate

1 risks may obtain current credit information upon the renewal of  
2 a personal insurance policy when renewal occurs more frequently  
3 than every 36 months if consistent with the insurer's  
4 underwriting guidelines.

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