

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 Illinois Insurance Code is amended by
5 changing Section 143 as follows:

6 (215 ILCS 5/143) (from Ch. 73, par. 755)

7 Sec. 143. Policy forms.

8 (1) Life, accident and health. No company transacting the
9 kind or kinds of business enumerated in Classes 1 (a), 1 (b)
10 and 2 (a) of Section 4 shall issue or deliver in this State a
11 policy or certificate of insurance or evidence of coverage,
12 attach an endorsement or rider thereto, incorporate by
13 reference bylaws or other matter therein or use an application
14 blank in this State until the form and content of such policy,
15 certificate, evidence of coverage, endorsement, rider, bylaw
16 or other matter incorporated by reference or application blank
17 has been filed electronically with the Director, either through
18 the System for Electronic Rate and Form Filing (SERFF) or as
19 otherwise prescribed by the Director, and approved by the
20 Director. Any such endorsement or rider that unilaterally
21 reduces benefits and is to be attached to a policy subsequent
22 to the date the policy is issued must be filed with, reviewed,
23 and formally approved by the Director prior to the date it is

1 attached to a policy issued or delivered in this State. It
2 shall be the duty of the Director to withhold approval of any
3 such policy, certificate, endorsement, rider, bylaw or other
4 matter incorporated by reference or application blank filed
5 with him if it contains provisions which encourage
6 misrepresentation or are unjust, unfair, inequitable,
7 ambiguous, misleading, inconsistent, deceptive, contrary to
8 law or to the public policy of this State, or contains
9 exceptions and conditions that unreasonably or deceptively
10 affect the risk purported to be assumed in the general coverage
11 of the policy. In all cases the Director shall approve or
12 disapprove any such form within 60 days after submission unless
13 the Director extends by not more than an additional 30 days the
14 period within which he shall approve or disapprove any such
15 form by giving written notice to the insurer of such extension
16 before expiration of the initial 60 days period. The Director
17 shall withdraw his approval of a policy, certificate, evidence
18 of coverage, endorsement, rider, bylaw, or other matter
19 incorporated by reference or application blank if he
20 subsequently determines that such policy, certificate,
21 evidence of coverage, endorsement, rider, bylaw, other matter,
22 or application blank is misrepresentative, unjust, unfair,
23 inequitable, ambiguous, misleading, inconsistent, deceptive,
24 contrary to law or public policy of this State, or contains
25 exceptions or conditions which unreasonably or deceptively
26 affect the risk purported to be assumed in the general coverage

1 of the policy or evidence of coverage.

2 If a previously approved policy, certificate, evidence of
3 coverage, endorsement, rider, bylaw or other matter
4 incorporated by reference or application blank is withdrawn for
5 use, the Director shall serve upon the company an order of
6 withdrawal of use, either personally or by mail, and if by
7 mail, such service shall be completed if such notice be
8 deposited in the post office, postage prepaid, addressed to the
9 company's last known address specified in the records of the
10 Department of Insurance. The order of withdrawal of use shall
11 take effect 30 days from the date of mailing but shall be
12 stayed if within the 30-day period a written request for
13 hearing is filed with the Director. Such hearing shall be held
14 at such time and place as designated in the order given by the
15 Director. The hearing may be held either in the City of
16 Springfield, the City of Chicago or in the county where the
17 principal business address of the company is located. The
18 action of the Director in disapproving or withdrawing such form
19 shall be subject to judicial review under the Administrative
20 Review Law.

21 This subsection shall not apply to riders or endorsements
22 issued or made at the request of the individual policyholder
23 relating to the manner of distribution of benefits or to the
24 reservation of rights and benefits under his life insurance
25 policy.

26 (2) Casualty, fire, and marine. The Director shall require

1 the filing of all policy forms issued or delivered by any
2 company transacting the kind or kinds of business enumerated in
3 Classes 2 (except Class 2 (a)) and 3 of Section 4 in an
4 electronic format either through the System for Electronic Rate
5 and Form Filing (SERFF) or as otherwise prescribed and approved
6 by the Director. In addition, he may require the filing of any
7 generally used riders, endorsements, certificates, application
8 blanks, and other matter incorporated by reference in any such
9 policy or contract of insurance. Companies that are members of
10 an organization, bureau, or association may have the same filed
11 for them by the organization, bureau, or association. If the
12 Director shall find from an examination of any such policy
13 form, rider, endorsement, certificate, application blank, or
14 other matter incorporated by reference in any such policy so
15 filed that it (i) violates any provision of this Code, (ii)
16 contains inconsistent, ambiguous, or misleading clauses, or
17 (iii) contains exceptions and conditions that will
18 unreasonably or deceptively affect the risks that are purported
19 to be assumed by the policy, he shall order the company or
20 companies issuing these forms to discontinue their use. Nothing
21 in this subsection shall require a company transacting the kind
22 or kinds of business enumerated in Classes 2 (except Class 2
23 (a)) and 3 of Section 4 to obtain approval of these forms
24 before they are issued nor in any way affect the legality of
25 any policy that has been issued and found to be in conflict
26 with this subsection, but such policies shall be subject to the

1 provisions of Section 442.

2 (3) This Section shall not apply (i) to surety contracts or
3 fidelity bonds, (ii) to policies issued to an exempt commercial
4 purchaser or industrial insured as defined in Section 121-2.08
5 except for workers' compensation policies, nor (iii) to riders
6 or endorsements prepared to meet special, unusual, peculiar, or
7 extraordinary conditions applying to an individual risk.

8 (Source: P.A. 97-486, eff. 1-1-12; 98-226, eff. 1-1-14.)

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