

# SB3825



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB3825

Introduced 1/21/2022, by Sen. Antonio Muñoz

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.26b new  
215 ILCS 157/10

Amends the Illinois Insurance Code. Provides that no insurer shall utilize, rate, or underwrite in whole or in part an applicant's or insured's education level, employment, trade, business, occupation or profession, or credit report or credit information to determine: whether to issue, deny, cancel, or nonrenew an automobile insurance policy; whether to renew an automobile insurance policy; the appropriate premium for an automobile insurance policy; the appropriate tier for an automobile insurance policy; or an insurance score for an applicant or insured. Defines terms. Amends the Use of Credit Information in Personal Insurance Act. Removes private passenger automobile insurance policies from the definition of "personal insurance". Effective immediately.

LRB102 24571 BMS 35111 b

A BILL FOR

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 adding Section 143.26b as follows:

6 (215 ILCS 5/143.26b new)

7 Sec. 143.26b. Automobile insurance; prohibited use of  
8 credit information.

9 (a) As used in this Section:

10 "Applicant" means an individual who has applied to be  
11 covered by an automobile insurance policy with an insurer.

12 "Automobile insurance" means a contract of insurance  
13 issued or delivered in this State on a risk located or a  
14 resident in this State insuring against losses or liabilities  
15 arising out of the ownership, operation, or use of a motor  
16 vehicle predominantly used for non-business purposes if a  
17 natural person is the named insured under the policy of  
18 automobile insurance. The use or operation of a motor vehicle  
19 by a transportation network company driver in accordance with  
20 the Transportation Network Providers Act shall not be included  
21 in determining whether the motor vehicle is being used  
22 predominantly for non-business purposes.

23 "Credit information" means any credit-related information

1 derived from a credit report, found on a credit report itself,  
2 or provided on an application for automobile insurance.  
3 "Credit information" does not include information that is not  
4 credit-related regardless of whether it is contained in a  
5 credit report or in an application or is used to calculate an  
6 insurance score.

7 "Credit report" means any written, oral, or other  
8 communication of information by a consumer reporting agency  
9 bearing on a consumer's credit worthiness, credit standing, or  
10 credit capacity that is used or expected to be used or  
11 collected in whole or in part for the purpose of serving as a  
12 factor to determine automobile insurance premiums, eligibility  
13 for coverage, or tier placement.

14 "Insurance score" means a number or rating that is derived  
15 from an algorithm, computer application, model, or other  
16 process for the purposes of predicting the future insurance  
17 loss exposure of an individual applicant or insured.

18 (b) No insurer shall utilize, rate, or underwrite in whole  
19 or in part an applicant's or insured's education level,  
20 employment, trade, business, occupation or profession, or  
21 credit report or credit information to determine:

22 (1) whether to issue, deny, cancel, or nonrenew an  
23 automobile insurance policy;

24 (2) whether to renew an automobile insurance policy;

25 (3) the appropriate premium for an automobile  
26 insurance policy;

- 1           (4) the appropriate tier for an automobile insurance  
2           policy; or  
3           (5) an insurance score for an applicant or insured.

4           Section 10. The Use of Credit Information in Personal  
5 Insurance Act is amended by changing Section 10 as follows:

6           (215 ILCS 157/10)

7           Sec. 10. Scope. This Act applies to personal insurance and  
8 not to commercial insurance. For purposes of this Act,  
9 "personal insurance" means ~~private passenger automobile,~~  
10 homeowners, motorcycle, mobile-homeowners and non-commercial  
11 dwelling fire insurance policies, and boat, personal  
12 watercraft, snowmobile, and recreational vehicle policies.  
13 Such policies must be individually underwritten for personal,  
14 family, or household use. No other type of insurance shall be  
15 included as personal insurance for the purpose of this Act.

16           (Source: P.A. 102-558, eff. 8-20-21.)

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