



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB4611

Introduced 1/31/2024, by Rep. Thaddeus Jones

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.19.4 new

Amends the Illinois Insurance Code. Provides that an insurer shall not, with regard to any motor vehicle liability insurance practice, (i) unfairly discriminate based on age, race, color, national or ethnic origin, immigration or citizenship status, sex, sexual orientation, disability, gender identity, or gender expression or (ii) use any external consumer data and information sources in a way that unfairly discriminates based on age, race, color, national or ethnic origin, immigration or citizenship status, sex, sexual orientation, disability, gender identity, or gender expression. Allows the Department of Insurance to examine and investigate an insurer's use of external consumer data and information sources, algorithms, or predictive models in any motor vehicle liability insurance practice. Specifies that the provisions shall not be construed to require an insurer to collect consumer's demographic data, to prohibit the use of a driver's history that has a direct relationship with risk, or to prohibit the use of or require testing of longstanding and well-established common industry practices in settling claims or traditional underwriting practices. Prohibits an insurer from canceling, refusing to renew, or increasing the premium for any policy of automobile insurance solely because an insured person has reached the age of 65 years if the insured has a valid Illinois driver's license. Defines terms.

LRB103 37111 MXP 67230 b

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 143.19.4 as follows:

6 (215 ILCS 5/143.19.4 new)

7 Sec. 143.19.4. Automobile insurance practices; prohibition  
8 on discrimination.

9 (a) As used in this Section:

10 "Algorithm" means a computational or machine learning  
11 process that informs human decision-making in insurance  
12 practices.

13 "External consumer data and information source" means a  
14 data or an information source that is used by an insurer to  
15 supplement traditional underwriting or other insurance  
16 practices or to establish lifestyle indicators that are used  
17 in insurance practices.

18 "External consumer data and information source" includes  
19 credit scores, social media habits, locations, purchasing  
20 habits, home ownership, educational attainment, occupation,  
21 licensures, civil judgments, and court records.

22 "Insurance practice" means marketing, underwriting,  
23 pricing, utilization management, reimbursement methodologies,

1 and claims management in the transaction of insurance.

2 "Predictive model" means a process of using mathematical  
3 and computational methods that examine current and historical  
4 data sets for underlying patterns and calculate the  
5 probability of an outcome.

6 "Unfairly discriminate" includes the use of one or more  
7 external consumer data and information sources, as well as  
8 algorithms or predictive models using external consumer data  
9 and information sources, that have a correlation to age, race,  
10 color, national or ethnic origin, immigration or citizenship  
11 status, sex, sexual orientation, disability, gender identity,  
12 or gender expression of an individual and that uses results in  
13 a disproportionately negative outcome for such classification  
14 or classifications, which negative outcome exceeds the  
15 reasonable correlation to the underlying insurance practice,  
16 including losses and costs for underwriting.

17 (b) An insurer shall not, with regard to any motor vehicle  
18 liability insurance practice:

19 (1) unfairly discriminate based on age, race, color,  
20 national or ethnic origin, immigration or citizenship  
21 status, sex, sexual orientation, disability, gender  
22 identity, or gender expression; or

23 (2) use any external consumer data and information  
24 sources, as well as any algorithm or predictive models  
25 that use external consumer data and information sources,  
26 in a way that unfairly discriminates based on age, race,

1 color, national or ethnic origin, immigration or  
2 citizenship status, sex, sexual orientation, disability,  
3 gender identity, or gender expression.

4 (c) The Department of Insurance may examine and  
5 investigate an insurer's use of external consumer data and  
6 information sources, algorithms, or predictive models with  
7 regard to any motor vehicle liability insurance practice.  
8 Insurers shall cooperate with the Department of Insurance in  
9 any examination or investigation under this Section.

10 (d) Nothing in this Section may be construed to:

11 (1) Require an insurer to collect from an applicant or  
12 policyholder the age, race, color, national or ethnic  
13 origin, immigration or citizenship status, sex, sexual  
14 orientation, disability, gender identity, or gender  
15 expression of an individual.

16 (2) Prohibit the use of a driver's history that has a  
17 direct relationship to risk unless such information is  
18 otherwise included in the testing of an algorithm or  
19 predictive model that also uses external consumer data and  
20 information sources.

21 (3) Prohibit the use of or require testing of  
22 longstanding and well-established common industry  
23 practices in settling claims or traditional underwriting  
24 practices unless such practices or factors are otherwise  
25 included in the testing of an algorithm or predictive  
26 model that also uses external consumer data and

1 information sources.

2 (e) No policy of automobile insurance, including any class  
3 of motor vehicle coverage, shall be canceled by the insurer  
4 solely because the insured has reached the age of 65 years so  
5 long as the insured has a valid Illinois driver's license. If  
6 the insured has a valid Illinois driver's license, an insurer  
7 shall not refuse to issue a renewal policy or increase the  
8 premium for any policy solely because an insured has reached  
9 the age of 65 years.