

1 AN ACT concerning insurance.

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 155.38 as follows:

6 (215 ILCS 5/155.38)

7 Sec. 155.38. Use of credit reports in connection with
8 certain policies.

9 (a) This Section applies to policies of insurance
10 defined in subsections (a), (b), and (c) of Section 143.13,
11 except that this Section does not apply to those personal
12 lines policies defined in subsection (c) of Section 143.13
13 that could be classified under clause (g) or (i) of Class 2
14 of Section 4 or to policies of insurance subject to Article
15 IX 1/2.

16 (b) An insurance company authorized to do business in
17 this State may not refuse to issue or renew a policy of
18 insurance solely on the basis of a credit report. An
19 insurance company authorized to do business in this State may
20 not consider an insured's or applicant's credit report for
21 purposes of underwriting or determining premium rates with
22 respect to personal multi-peril property policies covering
23 real property used principally for residential purposes or
24 any household or personal property that is usual or
25 incidental to the occupancy of any premises used for
26 residential purposes (commonly known as "homeowners" or
27 "renters" insurance). An offer by an insurance company to
28 write a policy through an insurer that is an affiliate, as
29 defined in Section 131.1 of this Code, with continuous
30 coverage does not constitute a refusal to issue a policy or a
31 nonrenewal within the meaning of this Section. "Credit

1 report" means a collection of data regarding a consumer's
2 credit history, credit capacity, or credit worthiness that
3 has been assembled or evaluated by a consumer reporting
4 agency as defined in 15 USC 1681a(f).

5 (c) If a credit report is used in conjunction with other
6 criteria to underwrite an application or renewal of a policy
7 of insurance, it may not include or be based upon the race,
8 income, gender, religion, or national origin of the applicant
9 or insured.

10 (d) If a credit report is used in conjunction with other
11 criteria to refuse to issue or renew a policy of insurance,
12 the insurer shall provide the applicant or policyholder with
13 a notice of the underwriting action taken. For purposes of
14 this Section, compliance with the notification requirements
15 of the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et
16 seq., shall be considered to be in compliance with this
17 Section.

18 (Source: P.A. 92-480, eff. 10-1-01; 92-651, eff. 7-11-02.)