

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 Use of Credit Information in Personal
5 Insurance Act is amended by changing Section 20 as follows:

6 (215 ILCS 157/20)

7 Sec. 20. Use of credit information. An insurer authorized
8 to do business in this State that uses credit information to
9 underwrite or rate risks shall not:

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

13 (2) Deny, cancel, or nonrenew a policy of personal
14 insurance solely on the basis of credit information,
15 without consideration of any other applicable underwriting
16 factor independent of credit information and not expressly
17 prohibited by item (1). An insurer shall not be considered
18 to have denied, cancelled, or nonrenewed a policy if
19 coverage is available through an affiliate. If an insurer
20 denies, cancels, or does not renew a policy of personal
21 insurance based on credit information, it must provide the
22 affected party with an explanation for the insurer's action
23 and an opportunity for the affected party to explain its

1 credit information.

2 (3) Base an insured's renewal rates for personal
3 insurance solely upon credit information, without
4 consideration of any other applicable factor independent
5 of credit information. An insurer shall not be considered
6 to have based rates solely on credit information if
7 coverage is available in a different tier of the same
8 insurer.

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

13 (5) Consider an absence of credit information or an
14 inability to calculate an insurance score in underwriting
15 or rating personal insurance, unless the insurer does one
16 of the following:

17 (A) Treats the consumer as otherwise filed with the
18 Department, if the insurer presents information that
19 such an absence or inability relates to the risk for
20 the insurer and submits a filing certification form
21 signed by an officer for the insurer certifying that
22 such treatment is actuarially justified.

23 (B) Treats the consumer as if the applicant or
24 insured had neutral credit information, as defined by
25 the insurer.

26 (C) Excludes the use of credit information as a

1 factor and uses only other underwriting criteria.

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

7 (7) Use credit information unless not later than every
8 36 months following the last time that the insurer obtained
9 current credit information for the insured, the insurer
10 recalculates the insurance score or obtains an updated
11 credit report. Regardless of the other requirements of this
12 Section:

13 (A) At annual renewal, upon the request of a
14 consumer or the consumer's agent, the insurer shall
15 re-underwrite and re-rate the policy based upon a
16 current credit report or insurance score. An insurer
17 need not recalculate the insurance score or obtain the
18 updated credit report of a consumer more frequently
19 than once in a 12-month period.

20 (B) The insurer shall have the discretion to obtain
21 current credit information upon any renewal before the
22 expiration of 36 months, if consistent with its
23 underwriting guidelines.

24 (C) An insurer is not required to obtain current
25 credit information for an insured, despite the
26 requirements of subitem (A) of item (7) of this Section

1 if one of the following applies:

2 (a) The insurer is treating the consumer as
3 otherwise filed with the Department.

4 (b) The insured is in the most
5 favorably-priced tier of the insurer, within a
6 group of affiliated insurers. However, the insurer
7 shall have the discretion to order credit
8 information, if consistent with its underwriting
9 guidelines.

10 (c) Credit was not used for underwriting or
11 rating the insured when the policy was initially
12 written. However, the insurer shall have the
13 discretion to use credit for underwriting or
14 rating the insured upon renewal, if consistent
15 with its underwriting guidelines.

16 (d) The insurer re-evaluates the insured
17 beginning no later than 36 months after inception
18 and thereafter based upon other underwriting or
19 rating factors, excluding credit information.

20 (8) Use the following as a negative factor in any
21 insurance scoring methodology or in reviewing credit
22 information for the purpose of underwriting or rating a
23 policy of personal insurance:

24 (A) Credit inquiries not initiated by the consumer
25 or inquiries requested by the consumer for his or her
26 own credit information.

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

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

5 (D) Multiple lender inquiries, if coded by the
6 consumer reporting agency on the consumer's credit
7 report as being from the home mortgage industry and
8 made within 30 days of one another, unless only one
9 inquiry is considered.

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

15 (Source: P.A. 93-114, eff. 10-1-03; 93-477, eff. 10-1-03.)

16 Section 10. The Public Utilities Act is amended by adding
17 Section 8-101.5 as follows:

18 (220 ILCS 5/8-101.5 new)

19 Sec. 8-101.5. Use of credit information of prospective and
20 existing customers. A public utility may not deny, cancel, or
21 nonrenew utility service solely on the basis of credit
22 information of prospective or existing customers. If a public
23 utility denies, cancels, or does not renew service based on
24 credit information, it must provide the affected party with an

1 explanation for the public utility's action and an opportunity
2 for the affected party to explain its credit information. This
3 Section does not apply to a telecommunications carrier or any
4 of its affiliates.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.