

HB0420



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0420

Introduced 2/3/2009, by Rep. Monique D. Davis

SYNOPSIS AS INTRODUCED:

215 ILCS 5/155.22b
215 ILCS 157/Act rep.

Amends the Illinois Insurance Code. Provides that no company issuing a policy of life or accident and health or personal insurance may use a consumer's credit information for the purpose of rating or underwriting any such policy. Repeals the Use of Credit Information in Personal Insurance Act. Makes other changes.

LRB096 07536 RPM 17631 b

A BILL FOR

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 155.22b as follows:

6 (215 ILCS 5/155.22b)

7 Sec. 155.22b. Rating, claims handling, and underwriting
8 decisions.

9 (a) No company issuing a policy of property and casualty
10 insurance may use the fact that an applicant or insured
11 incurred bodily injury as a result of a battery or other
12 violent act committed against him or her by a spouse or person
13 in the same household as a sole reason for a rating,
14 underwriting, or claims handling decision.

15 (b) If a policy excludes property coverage for intentional
16 acts, the insurer may not deny payment to an innocent
17 co-insured who did not cooperate in or contribute to the
18 creation of the loss if the loss arose out of a pattern of
19 criminal domestic violence and the perpetrator of the loss is
20 criminally prosecuted for the act causing the loss. Payment to
21 the innocent co-insured may be limited to his or her ownership
22 interest in the property as reduced by any payments to a
23 mortgagor or other secured interest.

1 (c) No company issuing a policy of life or accident and
2 health or personal insurance may use a consumer's credit
3 information or credit score for the purpose of rating or
4 underwriting any such policy. For the purpose of this
5 subsection (c):

6 "Consumer" means an insured or an applicant for an
7 insurance policy whose credit information is used or whose
8 insurance score is calculated in the underwriting or rating of
9 an insurance policy.

10 "Credit information" means any credit-related information
11 derived from a credit report, found on a credit report itself,
12 or provided on an application for insurance. Information that
13 is not credit-related shall not be considered credit
14 information, regardless of whether it is contained in a credit
15 report or in an application or is used to calculate an
16 insurance score.

17 "Credit report" means any written, oral, or other
18 communication of information by a consumer reporting agency
19 bearing on a consumer's credit worthiness, credit standing, or
20 credit capacity, that is used or expected to be used or
21 collected in whole or in part for the purpose of serving as a
22 factor to determine insurance premiums, eligibility for
23 coverage, or tier placement.

24 "Insurance score" means a number or rating that is derived
25 from an algorithm, computer application, model, or other
26 process that is based in whole or in part on credit information

1 for the purposes of predicting the future insurance loss
2 exposure of an individual applicant or insured.

3 "Personal insurance" means private passenger automobile,
4 homeowners, motorcycle, mobile-homeowners and non-commercial
5 dwelling fire insurance policies, and boat, personal
6 watercraft, snowmobile, and recreational vehicle policies. Such
7 policies must be individually underwritten for personal,
8 family, or household use.

9 (Source: P.A. 93-200, eff. 1-1-04.)

10 (215 ILCS 157/Act rep.)

11 Section 10. The Use of Credit Information in Personal
12 Insurance Act is repealed.