

1 AMENDMENT TO HOUSE BILL 2419

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2419, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Insurance Code is amended by  
6 changing Section 1011 and adding Section 155.37 as follow:

7 (215 ILCS 5/155.37 new)

8 Sec. 155.37. Use of credit information in underwriting.

9 (a) If an insurer, or an agent on behalf of an insurer,  
10 uses credit criteria or a credit score, in whole or in part,  
11 as a reason to cancel or refuse to renew coverage or to  
12 refuse to underwrite for a particular insurance risk or class  
13 of risk, the credit criteria or credit score must be  
14 established and used in a manner that:

15 (1) is not based, in whole or in part, on the  
16 income, gender, race, color, religion, or national origin  
17 of an applicant or insured; and

18 (2) otherwise complies with Article XXVI of this  
19 Code.

20 (b) The credit criteria or credit scoring may not be  
21 used as a sole determinant for either the refusal to issue or  
22 the refusal to renew a policy.

(215 ILCS 5/1011) (from Ch. 73, par. 1065.711)

Sec. 1011. Reasons for Adverse Underwriting Decisions.

(A) In the event of an adverse underwriting decision the insurance institution or agent responsible for the decision shall:

(1) either provide the applicant, policyholder or individual proposed for coverage with the specific reason or reasons for the adverse underwriting decision in writing or advise such person that upon written request he or she may receive the specific reason or reasons in writing; ~~and~~

(2) provide the applicant, policyholder or individual proposed for coverage with a summary of the rights established under subsection (B) and Sections 1009 and 1010 of this Article; ~~and~~

(3) if the adverse underwriting decision is based upon a report of credit worthiness, credit standing, or credit capacity that a company receives from a consumer reporting agency, the company must also provide in writing to the applicant, policyholder, or individual proposed for coverage the specific reason or reasons, including credit score, codes, or other credit-based information used by the company in its underwriting, and if the information is based upon a credit score or code, the company must provide a written, easily understandable explanation of the score or code and the name, address, and telephone number of the consumer reporting agency that provided the information.

(B) Upon receipt of a written request within 90 business days from the date of the mailing of notice or other communication of an adverse underwriting decision to an applicant, policyholder or individual proposed for coverage, the insurance institution or agent shall furnish to such person within 21 business days from the date of receipt of

1 such written request:

2 (1) the specific reason or reasons for the adverse  
3 underwriting decision, in writing, if such information  
4 was not initially furnished in writing pursuant to  
5 paragraph (1) of subsection (A);

6 (2) the specific items of personal and privileged  
7 information that support those reasons; provided,  
8 however:

9 (a) the insurance institution or agent shall  
10 not be required to furnish specific items of  
11 privileged information if it has reasonable  
12 suspicion, based upon specific information available  
13 for review by the Director, that the applicant,  
14 policyholder or individual proposed for coverage has  
15 engaged in criminal activity, fraud, material  
16 misrepresentation or material nondisclosure, and

17 (b) specific items of medical-record  
18 information supplied by a medical-care institution  
19 or medical professional shall be disclosed either  
20 directly to the individual about whom the  
21 information relates or to a medical professional  
22 designated by the individual and licensed to provide  
23 medical care with respect to the condition to which  
24 the information relates, whichever the insurance  
25 institution or agent prefers; and

26 (3) the names and addresses of the institutional  
27 sources that supplied the specific items of information  
28 pursuant to paragraph (2) of subsection (B); provided,  
29 however, that the identity of any medical professional or  
30 medical-care institution shall be disclosed either  
31 directly to the individual or to the designated medical  
32 professional, whichever the insurance institution or  
33 agent prefers.

34 (C) The obligations imposed by this Section upon an

1 insurance institution or agent may be satisfied by another  
2 insurance institution or agent authorized to act on its  
3 behalf.

4 (D) When an adverse underwriting decision results solely  
5 from an oral request or inquiry, the explanation of reasons  
6 and summary of rights required by subsection (A) may be given  
7 orally.

8 (Source: P.A. 82-108.)

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law."