



Sen. Jacqueline Y. Collins

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10000SB1706sam001

LRB100 11335 SMS 21931 a

1 AMENDMENT TO SENATE BILL 1706

2 AMENDMENT NO. _____. Amend Senate Bill 1706 by replacing
3 everything after the enacting clause with the following:

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.

8 (a) An insurer authorized to do business in this State that
9 uses credit information to 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

1 prohibited by item (1). An insurer shall not be considered
2 to have denied, cancelled, or nonrenewed a policy if
3 coverage is available through an affiliate. If an insurer
4 denies, cancels, or does not renew a policy of personal
5 insurance based on credit information, it must provide the
6 affected party with a notice as described in Section 35 of
7 this Act and an opportunity for the affected party to
8 explain its credit information under the procedures
9 outlined in Section 22 of this Act.

10 (3) Base an insured's renewal rates for personal
11 insurance solely upon credit information, without
12 consideration of any other applicable factor independent
13 of credit information. An insurer shall not be considered
14 to have based rates solely on credit information if
15 coverage is available in a different tier of the same
16 insurer.

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

21 (5) Consider an absence of credit information or an
22 inability to calculate an insurance score in underwriting
23 or rating personal insurance, unless the insurer does one
24 of the following:

25 (A) Treats the consumer as otherwise filed with the
26 Department, if the insurer presents information that

1 such an absence or inability relates to the risk for
2 the insurer and submits a filing certification form
3 signed by an officer for the insurer certifying that
4 such treatment is actuarially justified.

5 (B) Treats the consumer as if the applicant or
6 insured had neutral credit information, as defined by
7 the insurer.

8 (C) Excludes the use of credit information as a
9 factor and uses only other underwriting criteria.

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

15 (7) (Blank).

16 (8) Use the following as a negative factor in any
17 insurance scoring methodology or in reviewing credit
18 information for the purpose of underwriting or rating a
19 policy of personal insurance:

20 (A) Credit inquiries not initiated by the consumer
21 or inquiries requested by the consumer for his or her
22 own credit information.

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

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

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

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

11 (a-1) Notwithstanding any other provision of this Section
12 to the contrary, an insurer authorized to do business in this
13 State shall not use a consumer's credit information or credit
14 report to calculate classification plans, rating plans, rating
15 tier placement factors, scoring models, rules, rates,
16 premiums, or any other method of establishing the premium to be
17 paid by an automobile insurance policyholder or covered driver,
18 and the modification of any of the foregoing, for private
19 passenger automobile insurance policies amended, delivered,
20 issued, or renewed on or after the effective date of this
21 amendatory Act of the 100th General Assembly.

22 (b) An insurer authorized to do business in this State that
23 uses credit information to underwrite or rate risks shall, at
24 annual renewal upon the request of an insured or an insured's
25 agent, re-underwrite and re-rate the insured's personal
26 insurance policy based on a current credit report or insurance

1 score unless one of the following applies:

2 (1) The insurer's treatment of the consumer is
3 otherwise approved by the Department.

4 (2) The insured is in the most favorably priced tier of
5 the insurer, within a group of affiliated insurers.

6 (3) Credit information was not used for underwriting or
7 rating the insured when the personal insurance policy was
8 initially written.

9 (4) The insurer reevaluates the insured at least every
10 36 months after a personal insurance policy is issued based
11 on underwriting or rating factors other than credit
12 information.

13 (5) The insurer has recalculated an insurance score or
14 obtained an updated credit report of a consumer in the
15 previous 12-month period.

16 An insurer that uses credit information to underwrite or rate
17 risks may obtain current credit information upon the renewal of
18 a personal insurance policy when renewal occurs more frequently
19 than every 36 months if consistent with the insurer's
20 underwriting guidelines.

21 (Source: P.A. 96-560, eff. 8-18-09.)".