



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2766

Introduced 2/6/2025, by Rep. Jeff Keicher

SYNOPSIS AS INTRODUCED:

215 ILCS 5/151

from Ch. 73, par. 763

Amends the Illinois Insurance Code. Provides that nothing in provisions prohibiting the payment or acceptance of rebates shall prevent the offer or provision by insurers or producers, by or through employees, affiliates, or third-party representatives, of value-added products or services at no or reduced cost when such products or services are not specified in the policy of insurance, so long as the product or service relates to the insurance coverage and is primarily designed to satisfy specified criteria. Sets forth provisions concerning the requirements for insurers or producers offering non-cash gifts, items, or services or conducting raffles or drawings. Provides that an insurer, producer, or representative of an insurer or producer may not offer or provide insurance as an inducement to the purchase of another policy or otherwise use the words "free", "no cost", or words of similar import in an advertisement.

LRB104 08210 BAB 18260 b

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 Illinois Insurance Code is amended by
5 changing Section 151 as follows:

6 (215 ILCS 5/151) (from Ch. 73, par. 763)

7 Sec. 151. Payment or acceptance of rebates prohibited.

8 (a) ~~(1)~~ No company doing business in this State and no
9 insurance agent or broker shall offer, promise, allow, give,
10 set off or pay, directly or indirectly, any rebate of or part
11 of the premium payable on the policy, or on any policy or
12 agent's commission thereon or earnings, profits, dividends or
13 other benefits founded, arising, accruing or to accrue thereon
14 or therefrom, or any special advantage in date of policy or age
15 of issue, or any paid employment or contract for services of
16 any kind or any other valuable consideration or inducement to
17 or for insurance on any risk in this State, now or hereafter to
18 be written, or for or upon any renewal of any such insurance,
19 which is not specified in the policy contract of insurance, or
20 offer, promise, give, option, sell, purchase any stocks,
21 bonds, securities or property or any dividends or profits
22 accruing or to accrue thereon, or other thing of value
23 whatsoever as inducement to insurance or in connection

1 therewith, or any renewal thereof which is not specified in
2 the policy. Nothing in this Section shall prevent a company
3 from paying a bonus to policyholders or otherwise abating
4 their premiums in whole or in part out of surplus accumulated
5 from nonparticipating insurance nor prevent a company which
6 transacts industrial life insurance on a weekly payment plan
7 from returning to policyholders who have made premium payments
8 for a period of at least one year directly to the company at
9 its home or district offices the percentage of premium which
10 the company would otherwise have paid for the weekly
11 collection of such premium nor shall this Section be construed
12 to prevent the taking of a bona fide obligation, with interest
13 at six per centum per annum, in payment of any premium.

14 (1) (A) Nothing in this Section shall prevent the offer
15 or provision by insurers or producers, by or through
16 employees, affiliates, or third-party representatives, of
17 value-added products or services at no or reduced cost
18 when such products or services are not specified in the
19 policy of insurance, so long as the product or service
20 relates to the insurance coverage and is primarily
21 designed to satisfy one or more of the following criteria:

22 (i) providing loss mitigation or loss control;

23 (ii) reducing claim costs or claim settlement
24 costs;

25 (iii) providing education about liability risks or
26 risk of loss to persons or property;

1 (iv) monitoring or assessing risk, identifying
2 sources of risk, or developing strategies for
3 eliminating or reducing risk;

4 (v) enhancing health;

5 (vi) enhancing financial wellness through items
6 such as education or financial planning services;

7 (vii) providing post-loss services;

8 (viii) incentivizing behavioral changes to improve
9 the health or reduce the risk of death or disability of
10 a policyholder, potential policyholder, certificate
11 holder, potential certificate holder, insured,
12 potential insured, or applicant; or

13 (ix) assisting in the administration of the
14 employee or retiree benefit insurance coverage.

15 (B) The cost to the insurer or producer offering the
16 product or service to any given customer must be
17 reasonable in comparison to that customer's premiums or
18 insurance coverage for the policy class.

19 (C) If the insurer or producer is providing the
20 product or service offered, the insurer or producer must
21 ensure that the customer is provided with contact
22 information to assist the customer with questions
23 regarding the product or service.

24 (D) The Director may adopt rules when implementing the
25 permitted practices set forth in this Section to ensure
26 consumer protection. Such rules, consistent with

1 applicable law, may address, among other issues, consumer
2 data protections and privacy, consumer disclosure, and
3 unfair discrimination.

4 (E) The availability of the value-added product or
5 service must be based on documented objective criteria and
6 offered in a manner that is not unfairly discriminatory.
7 The documented criteria must be maintained by the insurer
8 or producer and produced upon request by the Department.

9 (F) If an insurer or producer does not have sufficient
10 evidence, but has a good faith belief that the product or
11 service meets the criteria in subparagraph (A) of
12 paragraph (1) of this subsection, the insurer or producer
13 may provide the product or service in a manner that is not
14 unfairly discriminatory as part of a pilot or testing
15 program for no more than one year. An insurer or producer
16 must notify the Department of such a pilot or testing
17 program offered to consumers in this State prior to its
18 start and may proceed with the program unless the
19 Department objects within 21 days after notice. This
20 paragraph (F) applies solely to policies of life
21 insurance.

22 (2) Nothing in this Section shall prevent a company
23 from offering a child passenger restraint system or a
24 discount from the purchase price of a child passenger
25 restraint system to policyholders, when the purpose of
26 such restraint system is the safety of a child and

1 compliance with the "Child Passenger Protection Act",
2 approved June 27, 1983, as amended.

3 (3) Nothing in this Section shall prevent an insurer
4 or a producer from offering or giving non-cash gifts,
5 items, or services, including meals to or charitable
6 donations on behalf of a customer, to commercial or
7 institutional customers in connection with the marketing,
8 sale, purchase, or retention of contracts of insurance, as
9 long as the cost is reasonable in comparison to the
10 premium or proposed premium and the cost of the gift or
11 service is not included in any amounts charged to another
12 person or entity. The offer must be made in a manner that
13 is not unfairly discriminatory. The customer may not be
14 required to purchase, continue to purchase or renew a
15 policy in exchange for the gift, item, or service.

16 (4) Nothing in this Section shall prevent an insurer
17 or a producer from conducting raffles or drawings to the
18 extent permitted by State law, as long as there is no
19 financial cost to entrants to participate, the drawing or
20 raffle does not obligate participants to purchase
21 insurance, the prizes are not valued in excess of a
22 reasonable amount determined by the Director, and the
23 drawing or raffle is open to the public. The raffle or
24 drawing must be offered in a manner that is not unfairly
25 discriminatory. The customer may not be required to
26 purchase, continue to purchase, or renew a policy in

1 exchange for the gift, item, or service.

2 (b) An insurer, producer, or representative of an insurer
3 or producer may not offer or provide insurance as an
4 inducement to the purchase of another policy or otherwise use
5 the words "free", "no cost", or words of similar import in an
6 advertisement.

7 (c) ~~(2)~~ No insured person or party or applicant for
8 insurance shall directly or indirectly receive or accept, or
9 agree to receive or accept any rebate of premium or of any part
10 thereof or all or any part of any agent's or broker's
11 commission thereon, or any favor or advantage, or share in any
12 benefit to accrue under any policy of insurance, or any
13 valuable consideration or inducement, other than such as is
14 specified in the policy.

15 (Source: P.A. 83-1320.)