

HB3804



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3804

Introduced 2/18/2025, by Rep. Harry Benton

SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.5 new

Amends the Illinois Insurance Code. Requires insurance policies to be written in language easily readable and understandable by a person of average intelligence and education. Provides the factors the Director of Insurance shall consider in making the determination that the policy is easily readable and understandable by a person of average intelligence and education.

LRB104 12274 JDS 22386 b

A BILL FOR

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 adding Section 143.5 as follows:

6 (215 ILCS 5/143.5 new)

7 Sec. 143.5. Policy readability.

8 (a) On and after the effective date of this amendatory Act
9 of the 104th General Assembly, a policy issued, amended,
10 renewed, or delivered by an insurance company authorized to do
11 business in this State shall be written in language easily
12 readable and understandable by a person of average
13 intelligence and education.

14 (b) In determining whether a policy is readable within the
15 meaning of this Section, the Director shall consider, at
16 least, the following factors:

17 (1) the simplicity of the sentence structure and the
18 shortness of the sentences used;

19 (2) the extent to which commonly used and understood
20 words are employed;

21 (3) the extent to which legal terms are avoided;

22 (4) the extent to which references to other sections
23 or provisions of the contract are minimized;

1 (5) the extent to which definitional provisions are
2 incorporated in the text of the policy or contract; and
3 (6) any additional factors relevant to the readability
4 or understandability of an insurance policy or contract
5 that the Director may prescribe by rule.