



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4719

by Rep. Jaime M. Andrade, Jr.

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/154.6  
815 ILCS 505/2MMMM new

from Ch. 73, par. 766.6

Amends the Illinois Insurance Code. In provisions concerning acts by a company constituting improper claims practice, includes: (i) knowingly taking advantage of the insured's physical infirmity, ignorance, illiteracy, or inability to understand the language of the policy or any associated agreements in order to obtain a favorable settlement of a claim and (ii) willfully misrepresenting the status or outcome of an investigation or failing to take any meaningful investigatory acts before issuing a denial or offer of a compromise settlement. Provides that committing any of the improper claims practice acts is a violation of the Consumer Fraud and Deceptive Business Practices Act. Amends the Consumer Fraud and Deceptive Business Practices Act to provide that a person who commits an improper claims practice under the Illinois Insurance Code commits an unlawful practice within the meaning of the Act.

LRB104 17900 BAB 31336 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 154.6 as follows:

6 (215 ILCS 5/154.6) (from Ch. 73, par. 766.6)

7 Sec. 154.6. Acts constituting improper claims practice.

8 Any of the following acts by a company, if committed without  
9 just cause and in violation of Section 154.5, constitutes an  
10 improper claims practice:

11 (a) Knowingly misrepresenting to claimants and  
12 insureds relevant facts or policy provisions relating to  
13 coverages at issue;

14 (b) Failing to acknowledge with reasonable promptness  
15 pertinent communications with respect to claims arising  
16 under its policies;

17 (c) Failing to adopt and implement reasonable  
18 standards for the prompt investigations and settlement of  
19 claims arising under its policies;

20 (d) Not attempting in good faith to effectuate prompt,  
21 fair and equitable settlement of claims submitted in which  
22 liability has become reasonably clear;

23 (e) Compelling policyholders to institute suits to

1 recover amounts due under its policies by offering  
2 substantially less than the amounts ultimately recovered  
3 in suits brought by them;

4 (f) Engaging in activity which results in a  
5 disproportionate number of meritorious complaints against  
6 the insurer received by the Insurance Department;

7 (g) Engaging in activity which results in a  
8 disproportionate number of lawsuits to be filed against  
9 the insurer or its insureds by claimants;

10 (h) Refusing to pay claims without conducting a  
11 reasonable investigation based on all available  
12 information;

13 (i) Failing to affirm or deny coverage of claims  
14 within a reasonable time after proof of loss statements  
15 have been completed;

16 (j) Attempting to settle a claim for less than the  
17 amount to which a reasonable person would believe the  
18 claimant was entitled, by reference to written or printed  
19 advertising material accompanying or made part of an  
20 application or establishing unreasonable caps or limits on  
21 paint or materials when estimating vehicle repairs;

22 (k) Attempting to settle claims on the basis of an  
23 application which was altered without notice to, or  
24 knowledge or consent of, the insured;

25 (l) Making a claims payment to a policyholder or  
26 beneficiary omitting the coverage under which each payment

1 is being made;

2 (m) Delaying the investigation or payment of claims by  
3 requiring an insured, a claimant, or the physicians of  
4 either to submit a preliminary claim report and then  
5 requiring subsequent submission of formal proof of loss  
6 forms, resulting in the duplication of verification;

7 (n) Failing in the case of the denial of a claim or the  
8 offer of a compromise settlement to promptly provide a  
9 reasonable and accurate explanation of the basis in the  
10 insurance policy or applicable law for such denial or  
11 compromise settlement;

12 (o) Failing to provide forms necessary to present  
13 claims within 15 working days of a request with such  
14 explanations as are necessary to use them effectively;

15 (p) Failing to adopt and implement reasonable  
16 standards to verify that a repairer designated by the  
17 insurance company to provide an estimate, perform repairs,  
18 or engage in any other service in connection with an  
19 insured loss on a vehicle is duly licensed under Section  
20 5-301 of the Illinois Vehicle Code;

21 (q) Failing to provide as a persistent tendency a  
22 notification on any written estimate prepared by an  
23 insurance company in connection with an insured loss that  
24 Illinois law requires that vehicle repairers must be  
25 licensed in accordance with Section 5-301 of the Illinois  
26 Vehicle Code;

1 (r) Failing to pay the replacement vehicle use or  
2 occupation tax, title, and transfer fees required by  
3 Section 154.9 of this Code;

4 (r-5) Knowingly taking advantage of the insured's  
5 physical infirmity, ignorance, illiteracy, or inability to  
6 understand the language of the policy or any associated  
7 agreements in order to obtain a favorable settlement of a  
8 claim.

9 (r-10) Willfully misrepresenting the status or outcome  
10 of an investigation or failing to take any meaningful  
11 investigatory acts before issuing a denial or offer of a  
12 compromise settlement.

13 (s) Engaging in any other acts which are in substance  
14 equivalent to any of the foregoing.

15 Committing any of the acts specified in this Section is a  
16 violation of the Consumer Fraud and Deceptive Business  
17 Practices Act.

18 (Source: P.A. 102-69, eff. 7-1-22.)

19 Section 10. The Consumer Fraud and Deceptive Business  
20 Practices Act is amended by adding Section 2MMMM as follows:

21 (815 ILCS 505/2MMMM new)

22 Sec. 2MMMM. Improper claims practices under the Illinois  
23 Insurance Code. A person who commits an improper claims  
24 practice specified in Sections 154.5 and 154.6 of the Illinois

1 Insurance Code commits an unlawful practice within the meaning  
2 of this Act.