



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5536

Introduced 2/13/2026, by Rep. Ryan Spain

SYNOPSIS AS INTRODUCED:

215 ILCS 157/Act title
215 ILCS 157/1
215 ILCS 157/15
215 ILCS 157/20

Amends the Use of Credit Information in Personal Insurance Act. Changes the short title to the Use of Credit and Claims Information in Personal Insurance Act. Defines "claims information" as any written, oral, or other form of communication that enables an insurance company to access information associated with claims made by a consumer. Provides that an insurer authorized to conduct business in the State that uses claims information to underwrite or rate risks shall not consider claims by a consumer resulting from negligent or intentional action by a third party or claims made by a consumer that were determined not to be covered by the consumer's policy when underwriting or rating personal insurance. Specifies that provisions concerning claims information do not prohibit consideration by the insurer, when underwriting or rating personal insurance, of claims information concerning any claim made by a consumer that resulted in a nonpayment of the claim due to the consumer's fraudulent activity.

LRB104 16589 BAB 29988 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 Use of Credit Information in Personal
5 Insurance Act is amended by changing the title of the Act and
6 changing Sections 1, 15, and 20 as follows:

7 (215 ILCS 157/Act title)

8 An Act concerning the use of credit and claims information
9 and insurance.

10 (215 ILCS 157/1)

11 Sec. 1. Short title. This Act may be cited as the Use of
12 Credit and Claims Information in Personal Insurance Act.

13 (Source: P.A. 93-114, eff. 10-1-03.)

14 (215 ILCS 157/15)

15 Sec. 15. Definitions. For the purposes of this Act, these
16 defined words have the following meanings:

17 "Adverse action" means a denial or cancellation of, an
18 increase in any charge for, or a reduction or other adverse or
19 unfavorable change in the terms of coverage or amount of, any
20 insurance, existing or applied for, in connection with the
21 underwriting of personal insurance.

1 "Affiliate" means any company that controls, is controlled
2 by, or is under common control with another company.

3 "Applicant" means an individual who has applied to be
4 covered by a personal insurance policy with an insurer.

5 "Claims information" means any written, oral, or other
6 form of communication that enables an insurance company to
7 access information associated with claims made by a consumer.

8 "Consumer" means an insured or an applicant for a personal
9 insurance policy whose credit information is used or whose
10 insurance score is calculated in the underwriting or rating of
11 a personal insurance policy.

12 "Consumer reporting agency" means any person that, for
13 monetary fees or dues or on a cooperative nonprofit basis,
14 regularly engages in whole or in part in the practice of
15 assembling or evaluating consumer credit information or other
16 information on consumers for the purpose of furnishing
17 consumer reports to third parties.

18 "Credit information" means any credit-related information
19 derived from a credit report, found on a credit report itself,
20 or provided on an application for personal insurance.
21 Information that is not credit-related shall not be considered
22 "credit information," regardless of whether it is contained in
23 a credit report or in an application or is used to calculate an
24 insurance score.

25 "Credit report" means any written, oral, or other
26 communication of information by a consumer reporting agency

1 bearing on a consumer's credit worthiness, credit standing, or
2 credit capacity, that is used or expected to be used or
3 collected in whole or in part for the purpose of serving as a
4 factor to determine personal insurance premiums, eligibility
5 for coverage, or tier placement.

6 "Department" means the Department of Insurance.

7 "Insurance score" means a number or rating that is derived
8 from an algorithm, computer application, model, or other
9 process that is based in whole or in part on credit information
10 for the purposes of predicting the future insurance loss
11 exposure of an individual applicant or insured.

12 (Source: P.A. 93-114, eff. 10-1-03.)

13 (215 ILCS 157/20)

14 Sec. 20. Use of credit and claims information.

15 (a) An insurer authorized to do business in this State
16 that uses credit information to underwrite or rate risks shall
17 not:

18 (1) Use an insurance score that is calculated using
19 income, gender, address, ethnic group, religion, marital
20 status, or nationality of the consumer as a factor.

21 (2) Deny, cancel, or nonrenew a policy of personal
22 insurance solely on the basis of credit information,
23 without consideration of any other applicable underwriting
24 factor independent of credit information and not expressly
25 prohibited by item (1). An insurer shall not be considered

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

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

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

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

24 (A) Treats the consumer as otherwise filed with
25 the Department, if the insurer presents information
26 that such an absence or inability relates to the risk

1 for the insurer and submits a filing certification
2 form signed by an officer for the insurer certifying
3 that such treatment is actuarially justified.

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

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

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

14 (7) (Blank).

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

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

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

24 (C) Collection accounts with a medical industry
25 code, if so identified on the consumer's credit
26 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 (b) An insurer authorized to do business in this State
12 that uses credit information to underwrite or rate risks
13 shall, at annual renewal upon the request of an insured or an
14 insured's agent, re-underwrite and re-rate the insured's
15 personal insurance policy based on a current credit report or
16 insurance score unless one of the following applies:

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

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

21 (3) Credit information was not used for underwriting
22 or rating the insured when the personal insurance policy
23 was initially written.

24 (4) The insurer reevaluates the insured at least every
25 36 months after a personal insurance policy is issued
26 based on underwriting or rating factors other than credit

1 information.

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

5 An insurer that uses credit information to underwrite or
6 rate risks may obtain current credit information upon the
7 renewal of a personal insurance policy when renewal occurs
8 more frequently than every 36 months if consistent with the
9 insurer's underwriting guidelines.

10 (c)(1) An insurer authorized to conduct business in this
11 State that uses claims information to underwrite or rate risks
12 shall not consider the following when underwriting or rating
13 personal insurance:

14 (A) claims by a consumer resulting from negligent or
15 intentional action by a third party; or

16 (B) claims made by a consumer that were determined not
17 to be covered by the consumer's policy.

18 (2) Nothing in this subsection shall prohibit
19 consideration by the insurer, when underwriting or rating
20 personal insurance, of claims information concerning any claim
21 made by a consumer that resulted in a nonpayment of the claim
22 due to the consumer's fraudulent activity.

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