



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2063

Introduced 2/6/2025, by Sen. Paul Faraci

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/155.18  
215 ILCS 5/155.18b new

from Ch. 73, par. 767.18

Amends the Illinois Insurance Code. Provides that companies that issue medical liability insurance must evaluate premium rates based on the specific scope of practice of each insured physician who specializes in obstetric and gynecologic services (OB-GYN), considering whether the OB-GYN provides obstetric services, including childbirth, or limits the OB-GYN's practice to gynecologic services only. Requires companies that issue medical liability insurance to classify OB-GYNs who do not provide obstetric services as lower-risk providers for the purposes of determining premium rates. Requires the Department of Insurance to establish guidelines for companies that issue medical liability insurance to classify and adjust premiums based on the risk profiles of OB-GYNs.

LRB104 08937 BAB 18992 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 1. This Act may be referred to as the OB-GYN  
5 Malpractice Premium Adjustment Law.

6 Section 5. The Illinois Insurance Code is amended by  
7 changing Section 155.18 and by adding Section 155.18b as  
8 follows:

9 (215 ILCS 5/155.18) (from Ch. 73, par. 767.18)

10 Sec. 155.18. (a) This Section shall apply to insurance on  
11 risks based upon negligence by a physician, hospital or other  
12 health care provider, referred to herein as medical liability  
13 insurance. This Section shall not apply to contracts of  
14 reinsurance, nor to any farm, county, district or township  
15 mutual insurance company transacting business under an Act  
16 entitled "An Act relating to local mutual district, county and  
17 township insurance companies", approved March 13, 1936, as now  
18 or hereafter amended, nor to any such company operating under  
19 a special charter.

20 To the extent that the provisions of this Section conflict  
21 with the provisions of Section 155.18b, the provisions of  
22 Section 155.18b control.

1 (b) The following standards shall apply to the making and  
2 use of rates pertaining to all classes of medical liability  
3 insurance:

4 (1) Rates shall not be excessive or inadequate, as  
5 herein defined, nor shall they be unfairly discriminatory.  
6 No rate shall be held to be excessive unless such rate is  
7 unreasonably high for the insurance provided, and a  
8 reasonable degree of competition does not exist in the  
9 area with respect to the classification to which such rate  
10 is applicable.

11 No rate shall be held inadequate unless it is  
12 unreasonably low for the insurance provided and continued  
13 use of it would endanger solvency of the company.

14 (2) Consideration shall be given, to the extent  
15 applicable, to past and prospective loss experience within  
16 and outside this State, to a reasonable margin for  
17 underwriting profit and contingencies, to past and  
18 prospective expenses both countrywide and those especially  
19 applicable to this State, and to all other factors,  
20 including judgment factors, deemed relevant within and  
21 outside this State.

22 Consideration may also be given in the making and use  
23 of rates to dividends, savings or unabsorbed premium  
24 deposits allowed or returned by companies to their  
25 policyholders, members or subscribers.

26 (3) The systems of expense provisions included in the

1 rates for use by any company or group of companies may  
2 differ from those of other companies or groups of  
3 companies to reflect the operating methods of any such  
4 company or group with respect to any kind of insurance, or  
5 with respect to any subdivision or combination thereof.

6 (4) Risks may be grouped by classifications for the  
7 establishment of rates and minimum premiums.  
8 Classification rates may be modified to produce rates for  
9 individual risks in accordance with rating plans which  
10 establish standards for measuring variations in hazards or  
11 expense provisions, or both. Such standards may measure  
12 any difference among risks that have a probable effect  
13 upon losses or expenses. Such classifications or  
14 modifications of classifications of risks may be  
15 established based upon size, expense, management,  
16 individual experience, location or dispersion of hazard,  
17 or any other reasonable considerations and shall apply to  
18 all risks under the same or substantially the same  
19 circumstances or conditions. The rate for an established  
20 classification should be related generally to the  
21 anticipated loss and expense factors of the class.

22 (c) Every company writing medical liability insurance  
23 shall file with the Director of Insurance the rates and rating  
24 schedules it uses for medical liability insurance.

25 (1) This filing shall occur at least annually and as  
26 often as the rates are changed or amended.

1           (2) For the purposes of this Section any change in  
2 premium to the company's insureds as a result of a change  
3 in the company's base rates or a change in its increased  
4 limits factors shall constitute a change in rates and  
5 shall require a filing with the Director.

6           (3) It shall be certified in such filing by an officer of  
7 the company and a qualified actuary that the company's rates  
8 are based on sound actuarial principles and are not  
9 inconsistent with the company's experience.

10          (d) If after a hearing the Director finds:

11           (1) that any rate, rating plan or rating system  
12 violates the provisions of this Section applicable to it,  
13 he may issue an order to the company which has been the  
14 subject of the hearing specifying in what respects such  
15 violation exists and stating when, within a reasonable  
16 period of time, the further use of such rate or rating  
17 system by such company in contracts of insurance made  
18 thereafter shall be prohibited;

19           (2) that the violation of any of the provisions of  
20 this Section applicable to it by any company which has  
21 been the subject of hearing was wilful, he may suspend or  
22 revoke, in whole or in part, the certificate of authority  
23 of such company with respect to the class of insurance  
24 which has been the subject of the hearing.

25          (Source: P.A. 103-426, eff. 8-4-23.)

1 (215 ILCS 5/155.18b new)

2 Sec. 155.18b. Medical liability insurance for  
3 obstetricians and gynecologists.

4 (a) The purpose of this Section is to ensure fair and  
5 equitable medical malpractice premiums for obstetricians and  
6 gynecologists (OB-GYNs) by requiring companies that issue  
7 medical liability insurance to consider reduced liability risk  
8 for OB-GYNs who do not perform childbirth or obstetric  
9 services.

10 (b) As used in this Act:

11 "Gynecologic services" means medical care or procedures  
12 related to female reproductive health, excluding obstetric  
13 services.

14 "OB-GYN" means a physician, as defined in the Medical  
15 Practice Act of 1987, who specializes in obstetric and  
16 gynecologic services.

17 "Obstetric services" means any medical care, procedure, or  
18 treatment related to pregnancy, labor, delivery, and  
19 postpartum care.

20 (c) Companies that issue medical liability insurance must  
21 evaluate premium rates based on the specific scope of practice  
22 of each insured OB-GYN, considering whether the OB-GYN:

23 (1) provides obstetric services, including childbirth;

24 or

25 (2) limits the OB-GYN's practice to gynecologic  
26 services only.

1       (d) Companies that issue medical liability insurance must  
2       classify OB-GYNs who do not provide obstetric services as  
3       lower-risk providers for the purposes of determining premium  
4       rates.

5       (e) The Department shall establish guidelines for  
6       companies that issue medical liability insurance to classify  
7       and adjust premiums based on the risk profiles of OB-GYNs.

8       (f) To the extent that the provisions of this Section  
9       conflict with the provisions of Section 155.18, the provisions  
10       of this Section control.