



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2698

Introduced 10/14/2025, by Sen. Michael E. Hastings and Meg Loughran Cappel

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/Art. XLVIII heading new  
215 ILCS 5/1801 new  
215 ILCS 5/1805 new  
215 ILCS 5/1810 new  
215 ILCS 5/1815 new  
215 ILCS 5/1830 new  
215 ILCS 5/1835 new  
215 ILCS 5/1840 new  
215 ILCS 5/1845 new

Amends the Illinois Insurance Code. Creates the Rates Article. Provides that the Article may be cited as the Insurance Rate Fairness and Consumer Protection Law. Sets forth provisions requiring insurers to receive prior approval for rate changes from the Department of Insurance on and after January 1, 2028. Provides that no insurer shall increase premiums by more than 10% per year for any policyholder without exceptional justification. Requires the Department to conduct market conduct examinations of insurers at least once every 3 years to ensure compliance with the Article. Establishes penalty and enforcement provisions for violations of the Article. Provides that the Department may adopt rules necessary to implement and enforce the requirements of the Article. Effective January 1, 2028.

LRB104 15445 BAB 28601 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 adding Article XLVIII as follows:

6 (215 ILCS 5/Art. XLVIII heading new)

7 ARTICLE XLVIII. RATES

8 (215 ILCS 5/1801 new)

9 Sec. 1801. Short title. This Article may be cited as the  
10 Insurance Rate Fairness and Consumer Protection Law.

11 (215 ILCS 5/1805 new)

12 Sec. 1805. Purpose. The purpose of this Law is to limit  
13 unjustified increases in homeowners and automobile insurance  
14 premiums, ensure transparency in rate-setting practices, and  
15 grant the Department of Insurance greater oversight authority  
16 to protect consumers.

17 (215 ILCS 5/1810 new)

18 Sec. 1810. Definitions. As used in this Law:

19 "Department" means the Department of Insurance.

20 "Director" means the Director of Insurance.

1       "Insurer" means an insurance company offering homeowners  
2       insurance policies or automobile insurance policies within the  
3       State.

4       (215 ILCS 5/1815 new)

5       Sec. 1815. Prior approval requirement for rate changes.

6       (a) This Section is operative on and after January 1,  
7       2028.

8       (b) Insurers must submit a request for approval to the  
9       Department for any proposed rate increase for homeowners  
10       insurance premiums or automobile insurance premiums.

11       (c) The Department shall review the rate request within 60  
12       days after submission.

13       (d) If the Department does not make a determination within  
14       the 60-day review period, the request shall be deemed denied  
15       until further review.

16       (e) Insurers shall not implement any rate increase without  
17       prior written approval from the Department.

18       (215 ILCS 5/1830 new)

19       Sec. 1830. Rate increase limitations.

20       (a) No insurer shall increase premiums by more than 10%  
21       per year for any policyholder without exceptional  
22       justification.

23       (b) Exceptional justification must include evidence of  
24       increased claims related to natural disasters, regulatory

1 changes, or unforeseen market shifts.

2 (c) The Department shall have sole discretion to determine  
3 whether the exceptional justification is valid.

4 (215 ILCS 5/1835 new)

5 Sec. 1835. Regular market conduct examinations.

6 (a) The Department shall conduct market conduct  
7 examinations of insurers at least once every 3 years to ensure  
8 compliance with this Law.

9 (b) Examinations shall assess the fairness of rate-setting  
10 practices, transparency of filings, and adherence to approved  
11 rates.

12 (c) The Department may issue corrective actions, fines, or  
13 sanctions for violations discovered during market conduct  
14 examinations.

15 (215 ILCS 5/1840 new)

16 Sec. 1840. Penalties and enforcement.

17 (a) Any insurer that submits false or misleading  
18 information in a rate request pursuant to Section 1815 shall  
19 be subject to a penalty of \$100,000 per offense.

20 (b) Any insurer that implements unapproved rate increases  
21 or fails to comply with this Law shall be subject to penalties  
22 of up to \$250,000 per violation.

23 (c) Any insurer found in repeated noncompliance of this  
24 Law shall be penalized \$1,000,000, and the Department may

1 suspend the insurer's license to operate for up to 12 months.  
2 If an insurer's license to operate was suspended under this  
3 subsection and the insurer continues to violate the provisions  
4 of this Law, regardless of whether the violation occurs after  
5 the insurer's license has been restored, the Department may  
6 permanently revoke the insurer's license to operate.

7 (d) Policyholders affected by unapproved rate increases  
8 shall be entitled to reimbursement by the insurer of any  
9 overpaid premiums plus an additional penalty in an amount  
10 equal to 30% of the amount of the overpaid premiums.

11 (215 ILCS 5/1845 new)

12 Sec. 1845. Rulemaking authority. The Department may adopt  
13 rules necessary to implement and enforce the requirements of  
14 this Law.

15 Section 99. Effective date. This Act takes effect January  
16 1, 2028.