



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3639

Introduced 2/14/2020, by Sen. Laura Fine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/424

from Ch. 73, par. 1031

215 ILCS 5/500-109 new

Amends the Illinois Insurance Code. Provides that, except in specified circumstances, insurance companies offering travel insurance to residents of this State are subject to provisions of the Code concerning unfair methods of competition and unfair or deceptive acts or practices. Requires that all documents provided to consumers prior to the purchase of travel insurance, including, but not limited to, sales materials, advertising materials, and marketing materials, are consistent with the travel insurance policy itself, including, but not limited to, forms, endorsements, policies, rate filings, and certificates of insurance. For travel insurance policies or certificates that contain preexisting condition exclusions, provides that information in writing about the exclusions shall be located in a conspicuous place and an opportunity to learn more about the preexisting condition exclusions shall be provided at any time prior to the time of purchase, immediately following, but no later than 5 business days following, the purchase, and in the coverage's fulfillment materials. Unless the insured has either started a covered trip or filed a claim under the travel insurance coverage, allows a policyholder or certificate holder to cancel a policy or certificate for a full refund of the travel protection plan price within specified time frames. Requires the insurance company to disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage. Effective immediately.

LRB101 19597 BMS 69073 b

FISCAL NOTE ACT
MAY APPLY

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 changing Section 424 and by adding Section 500-109 as follows:

6 (215 ILCS 5/424) (from Ch. 73, par. 1031)

7 Sec. 424. Unfair methods of competition and unfair or
8 deceptive acts or practices defined. The following are hereby
9 defined as unfair methods of competition and unfair and
10 deceptive acts or practices in the business of insurance:

11 (1) The commission by any person of any one or more of
12 the acts defined or prohibited by Sections 134, 143.24c,
13 147, 148, 149, 151, 155.22, 155.22a, 155.42, 236, 237, 364,
14 ~~and 469,~~ and 500-109 of this Code.

15 (2) Entering into any agreement to commit, or by any
16 concerted action committing, any act of boycott, coercion
17 or intimidation resulting in or tending to result in
18 unreasonable restraint of, or monopoly in, the business of
19 insurance.

20 (3) Making or permitting, in the case of insurance of
21 the types enumerated in Classes 1, 2, and 3 of Section 4,
22 any unfair discrimination between individuals or risks of
23 the same class or of essentially the same hazard and

1 expense element because of the race, color, religion, or
2 national origin of such insurance risks or applicants. The
3 application of this Article to the types of insurance
4 enumerated in Class 1 of Section 4 shall in no way limit,
5 reduce, or impair the protections and remedies already
6 provided for by Sections 236 and 364 of this Code or any
7 other provision of this Code.

8 (4) Engaging in any of the acts or practices defined in
9 or prohibited by Sections 154.5 through 154.8 of this Code.

10 (5) Making or charging any rate for insurance against
11 losses arising from the use or ownership of a motor vehicle
12 which requires a higher premium of any person by reason of
13 his physical disability, race, color, religion, or
14 national origin.

15 (6) Failing to meet any requirement of the Unclaimed
16 Life Insurance Benefits Act with such frequency as to
17 constitute a general business practice.

18 (Source: P.A. 99-143, eff. 7-27-15; 99-893, eff. 1-1-17.)

19 (215 ILCS 5/500-109 new)

20 Sec. 500-109. Travel insurance marketing.

21 (a) As used in this Section, "fulfillment materials" means
22 the documentation sent to the purchaser of a travel protection
23 plan confirming the purchase and providing the travel
24 protection plan's coverage and assistance details.

25 (b) Except as otherwise provided in this Section, insurance

1 companies offering travel insurance to residents of this State
2 are subject to Article XXVI of this Code. In the event of a
3 conflict between this Section and other provisions of this Code
4 regarding the sale and marketing of travel insurance and travel
5 protection plans, the provisions of this Section shall control.

6 (c) All documents provided to consumers prior to the
7 purchase of travel insurance, including, but not limited to,
8 sales materials, advertising materials, and marketing
9 materials, shall be consistent with the travel insurance policy
10 itself, including, but not limited to, forms, endorsements,
11 policies, rate filings, and certificates of insurance.

12 (d) For travel insurance policies or certificates that
13 contain preexisting condition exclusions, information in
14 writing about the exclusions shall be located in a conspicuous
15 place and an opportunity to learn more about the preexisting
16 condition exclusions shall be provided at any time prior to the
17 time of purchase, immediately following, but no later than 5
18 business days following, the purchase, and in the coverage's
19 fulfillment materials.

20 (e) Unless the insured has either started a covered trip or
21 filed a claim under the travel insurance coverage, a
22 policyholder or certificate holder may cancel a policy or
23 certificate for a full refund of the travel protection plan
24 price from the date of purchase of a travel protection plan
25 until at least:

26 (1) 15 days following the date of delivery of the

1 travel protection plan's fulfillment materials by United
2 States mail or in person; or

3 (2) 10 days following the date of delivery of the
4 travel protection plan's fulfillment materials by
5 electronic means.

6 For the purposes of paragraphs (1) and (2) of this
7 subsection (e), "delivery" means handing in person fulfillment
8 materials to the policyholder or certificate holder or sending
9 fulfillment materials by United States mail or electronic means
10 to the policyholder or certificate holder.

11 (f) The insurance company shall disclose in the policy
12 documentation and fulfillment materials whether the travel
13 insurance is primary or secondary to other applicable coverage.

14 (g) When travel insurance is marketed directly to a
15 consumer through an travel insurance company's website or by
16 others through an aggregator website, the travel insurance
17 company shall not be subject to Article XXVI of this Code or
18 any other law if an accurate summary or short description of
19 coverage is provided on the webpage, so long as the consumer
20 has access to the full provisions of the policy through
21 electronic means.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.