

1 AN ACT relating to insurance.

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 Section 143.24c and changing Section 154.6 as follows:

6 (215 ILCS 5/143.24c new)

7 Sec. 143.24c. Hate crimes; coverage refusal.

8 (a) This Section applies to policies of insurance if the
9 insured or proposed insured is (1) an individual, (2) a
10 religious organization described in clause (i) of
11 subparagraph (A) of paragraph (1) of subsection (b) of
12 Section 170 of Title 26 of the United States Code, (3) an
13 educational organization described in clause (ii) of
14 subparagraph (A) of paragraph (1) of subsection (b) of
15 Section 170 of Title 26 of the United States Code, or (4) any
16 other nonprofit organization described in clause (vi) of
17 subparagraph (A) of paragraph (1) of subsection (b) of
18 Section 170 of Title 26 of the United States Code that is
19 organized and operated for religious, charitable, or
20 educational purposes.

21 (b) An insurer issuing policies subject to this Section
22 may not cancel, refuse to issue, or refuse to renew the
23 policy solely on the basis that one or more claims have been
24 made against any policy during the preceding 60 months for a
25 loss that is the result of a hate crime committed against the
26 person or property insured.

27 (c) As it relates to this Section, if determined by a
28 law enforcement agency, a "hate crime" may include any of the
29 following:

30 (1) By force or threat of force, willfully
31 injuring, intimidating, interfering with, oppressing, or

1 threatening any other person in the free exercise or
2 enjoyment of any right or privilege secured to him or her
3 by the Constitution or laws of this State or by the
4 Constitution or laws of the United States because of the
5 other person's race, color, religion, ancestry, national
6 origin, disability, gender, or sexual orientation or
7 because he or she perceives that the other person has one
8 or more of those characteristics. This offense, however,
9 does not include speech alone, except upon a showing that
10 the speech itself threatened violence against a specific
11 person or group of persons and that the defendant had the
12 apparent ability to carry out the threat.

13 (2) Knowingly defacing, damaging, or destroying the
14 real or personal property of any other person for the
15 purpose of intimidating or interfering with the free
16 exercise or enjoyment of any right or privilege secured
17 to the other person by the Constitution or laws of this
18 State or by the Constitution or laws of the United States
19 because of the other person's race, color, religion,
20 ancestry, national origin, disability, gender, or sexual
21 orientation or because he or she perceives that the other
22 person has one or more of those characteristics.

23 (d) Upon cancellation of or refusal to renew a policy
24 subject to this Section after an insured has submitted a
25 claim to the insurer that is the result of a hate crime
26 committed against the person or property of the insured, the
27 insurer shall report the cancellation or nonrenewal to the
28 Department.

29 (e) A violation of this Section is an improper claims
30 practice.

31 (f) Nothing in this Section prevents an insurer subject
32 to this Section from taking any of the actions specified in
33 subsection (b) on the basis of criteria not otherwise made
34 invalid by this Section or any other law or rule.

1 (215 ILCS 5/154.6) (from Ch. 73, par. 766.6)

2 Sec. 154.6. Acts constituting improper claims practice.
3 Any of the following acts by a company, if committed without
4 just cause and in violation of Section 154.5, constitutes an
5 improper claims practice:

6 (a) Knowingly misrepresenting to claimants and insureds
7 relevant facts or policy provisions relating to coverages at
8 issue.†

9 (b) Failing to acknowledge with reasonable promptness
10 pertinent communications with respect to claims arising under
11 its policies.†

12 (c) Failing to adopt and implement reasonable standards
13 for the prompt investigations and settlement of claims
14 arising under its policies.†

15 (d) Not attempting in good faith to effectuate prompt,
16 fair and equitable settlement of claims submitted in which
17 liability has become reasonably clear.†

18 (e) Compelling policyholders to institute suits to
19 recover amounts due under its policies by offering
20 substantially less than the amounts ultimately recovered in
21 suits brought by them.†

22 (f) Engaging in activity which results in a
23 disproportionate number of meritorious complaints against the
24 insurer received by the Insurance Department.†

25 (g) Engaging in activity which results in a
26 disproportionate number of lawsuits to be filed against the
27 insurer or its insureds by claimants.†

28 (h) Refusing to pay claims without conducting a
29 reasonable investigation based on all available information.†

30 (i) Failing to affirm or deny coverage of claims within
31 a reasonable time after proof of loss statements have been
32 completed.†

33 (j) Attempting to settle a claim for less than the
34 amount to which a reasonable person would believe the

1 claimant was entitled, by reference to written or printed
2 advertising material accompanying or made part of an
3 application or establishing unreasonable caps or limits on
4 paint or materials when estimating vehicle repairs.†

5 (k) Attempting to settle claims on the basis of an
6 application which was altered without notice to, or knowledge
7 or consent of, the insured.†

8 (l) Making a claims payment to a policyholder or
9 beneficiary omitting the coverage under which each payment is
10 being made.†

11 (m) Delaying the investigation or payment of claims by
12 requiring an insured, a claimant, or the physicians of either
13 to submit a preliminary claim report and then requiring
14 subsequent submission of formal proof of loss forms,
15 resulting in the duplication of verification.†

16 (n) Failing in the case of the denial of a claim or the
17 offer of a compromise settlement to promptly provide a
18 reasonable and accurate explanation of the basis in the
19 insurance policy or applicable law for such denial or
20 compromise settlement.†

21 (o) Failing to provide forms necessary to present claims
22 within 15 working days of a request with such explanations as
23 are necessary to use them effectively.†

24 (p) Failing to adopt and implement reasonable standards
25 to verify that a repairer designated by the insurance company
26 to provide an estimate, perform repairs, or engage in any
27 other service in connection with an insured loss on a vehicle
28 is duly licensed under Section 5-301 of the Illinois Vehicle
29 Code.†

30 (q) Failing to provide as a persistent tendency a
31 notification on any written estimate prepared by an insurance
32 company in connection with an insured loss that Illinois law
33 requires that vehicle repairers must be licensed in
34 accordance with Section 5-301 of the Illinois Vehicle Code.†

1 (r) Engaging in any other acts which are in substance
2 equivalent to any of the foregoing.

3 (s) Canceling, refusing to issue, or refusing to renew a
4 policy in violation of Section 143.24c.

5 (Source: P.A. 90-340, eff. 8-8-97.)