

ILIC Legislative Committee – Call Summary

March 8, 2019

WEEK IN REVIEW:

The Senate Insurance Committee met for the first time this year, passing out several bills on an agreed list (including [SB 111 \(Morrison\)](#) and [SB 174 \(Mulroe\)](#)) before taking subject matter testimony on Senator Oberweis' proposed Right to Shop Act ([SB 1187](#)). ILIC testified against the proposal, which would allow consumers to go out of network for services if they could be provided at a lower cost than in-network. Senate Insurance Chair Napoleon Harris has indicated that he will keep the bill in subcommittee and due to the opposition, which includes the hospitals and the doctors, the bill will not be called for a vote.

The House Insurance Committee also met this week, but did not take up any key bills of interest to ILIC.

The House Prescription Drug Affordability and Accessibility Committee held its third subject matter hearing on the impact of drug costs, specifically on the state's Medicaid program. Representatives from the Department of Healthcare and Family Services outlined cost trends and utilization management tools employed over the past years to manage those trends. The fourth and final subject matter hearing will be held next week focusing in on insulin prices and consumer perspectives on drug costs.

Governor Pritzker unveiled his "Fair Tax Plan" yesterday outlining their graduated income tax plan. Under the plan, households earning \$100,000 or less would see a slight decrease in their personal income tax rate while households earning between \$100,001 and \$250,000 would be kept to the same level of 4.95%. The rates would increase as follows: 1) households earning \$250,001 - \$500,000 would increase to a rate of 7.75%; 2) household earnings between \$500,001-\$1,000,000 would be taxed at 7.85%; and 3) households earning greater than \$1 million would be taxed at 7.95%.

The plan also calls for some increased property tax relief for those higher income levels subject to higher income tax rates and an increase in the state's child tax credit.

The proposal requires a change to the state's constitution. The House and Senate will have to pass a proposed constitutional amendment by a supermajority vote before the measure goes to the voters for approval. The Governor is pushing to get that on the ballot for the 2020 general election.

IL HOUSE – NEXT WEEK (HIGHLIGHTED BILLS):

Several key bills are posted to House Insurance Committee (3/12) next week:

[HB 2189 \(Manley\)](#) – As introduced, eliminates consideration of genetic testing/medical records for underwriting purposes for life and LTC policies. The sponsor has filed [House Amendment #1](#), which ILIC provided to replace provisions with language that makes it clear a commercial company providing direct-to-consumer genetic tests cannot provide results or other information to a health and life insurance company without written consent from the consumer. The sponsor has indicated that she will call the bill next week with the amendment. **ILIC POSITION: OPPOSE (as introduced); SUPPORT (with amendment)**

[HB 2644 \(Mayfield\)](#)- Prohibits insurers (including supplemental policies) from discriminating in their underwriting on the basis of a felony conviction. Reintroduction of a bill from the 99th General Assembly – HB

4572 (Mayfield) – which lost in House Insurance Committee in 2016. ILIC talked with the sponsor this week, who indicated this was being introduced in response to a constituent who claims to have been denied repeatedly for a life insurance policy solely because he obtained a felony DUI at the age of 19 (he is now 45). ILIC is working with the Independent Insurance Agents and underwriters to try and address her specific constituent's issue. Insurance Chairman Jones has interest in this bill as well, so ILIC will continue to stay on top of this one. **ILIC POSITION: OPPOSE**

[HB 2847 \(Conroy\)](#)– Prohibits LTC, life, and disability insurance policies from denying or discriminating on the basis of someone's living donor status. ILIC is currently working with ACLI to draft an amendment to clarify that these policies can still appropriately rate on all other conditions for living donors as they would for those who are not. ILIC met with the sponsor this week who indicated that while she had not yet had a chance to clear the proposed amendment with the National Kidney Foundation, she believed it was reasonable. She has indicated that she will have representatives from the National Kidney Foundation in town next week to testify on the bill in subcommittee with the potential to hold the bill in committee for the amendment. **ILIC POSITION: OPPOSE (as introduced)**

IL SENATE – NEXT WEEK (HIGHLIGHTED BILLS):

Several key bills are posted to Senate Insurance Committee (3/13) next week:

[SB 1449 \(Morrison\)](#) – Applies mental health parity coverage requirements to disability and disability income policies. ILIC met with Senator Morrison this week to discuss concerns with the bill, including the potential unintended impact of pricing these policies out of reach for employers, which could result in loss of coverage for employees who may need maternity coverage (for example). She has indicated that the bill is an initiative of the Kennedy Forum Illinois. Senator Morrison is not calling the bill next week, but has stated that she would like to find a path forward by the end of the month. **ILIC POSITION: OPPOSE**

[SB 1812 \(Mulroe\)](#)– Provides that a court shall consider a delay in an insurance company's settling of an insurance-related claims that exceeds 120 days prima facie evidence that such a delay is vexatious and unreasonable. ILIC met with Senator Mulroe this week and he has indicated that he will hold the bill. **ILIC POSITION: OPPOSE**

[SB 2149 \(Hastings\)](#)/ [HB 2736 \(Buckner\)](#) – Creates the Right to Know Act to require operators of commercial websites or online services that collect personal information about Illinois customers must, in their terms of service or privacy policy, identify all categories of personal information the operator collects, identify all categories of third party persons or entities with whom the operator may disclose that information, and provide a description of the customer's rights to access their information. If the business discloses personal information to a third party, it must make available on request at no charge, the categories of personal information disclosed and the name/names of all third parties that received the personal information. HB 2736 requires businesses to develop a safety plan for the protection of customer data and includes a private right of action. Senator Hastings has indicated that he will not be calling the bill, but HB 2736 is posted to the House Cybersecurity committee for a hearing next week. ILIC will work with the IL Chamber to talk through concerns with the House sponsor. **ILIC POSITION: OPPOSE**

If anyone has any feedback on any specific bills or any questions, please do not hesitate in reaching out to Laura at ilicminzer@gmail.com or Larry at ilicbarry@gmail.com.

UPCOMING MEETINGS:

March 12 – Legislative Committee Meeting in Springfield – Inn at 835. Members of the House and Senate Insurance Committees have been invited to attend and address members. Senators Mulroe and Syverson and Representative Jones (Insurance Chair) have confirmed. House Majority Leader Greg Harris has also been invited (and has indicated he will be able to attend) to address the group on the path forward for the budget and pending managed care tax to fund Medicaid. ***Acting Director Kevin Fry will introduce newly appointed Director Robert Muriel and will be available to take member’s questions.***

March 21 – TENTATIVE - Legislative insurance 101 education event - Katie School of Insurance

June 24 - 26 – Annual Meeting – Lake Geneva