

# SB1425 • Illinois

## AI USE IN HEALTH INSURANCE ACT

Introduced

Risk: High

Sector-Specific

Last Action (Apr 11, 2025): Rule 3-9(a) / Re-referred to Assignments

### Summary

The AI Use in Health Insurance Act regulates insurers' use of AI systems for adverse consumer outcomes, requiring meaningful human review of decisions.

### Business Impact

If you operate an insurance business in Illinois using AI, you must ensure human review of AI-driven decisions or face regulatory scrutiny.

### Key Provisions

- Insurers must not issue adverse outcomes solely based on AI systems.
- Decisions affecting consumers must be reviewed by a human with override authority.
- The Department of Insurance oversees AI system usage by insurers.
- Insurers must develop and maintain an AI systems program.
- Emergency rules may be adopted for timely implementation.
- Full and fair disclosure standards for AI use must be established.

### Compliance Checklist

- Ensure human review of AI-driven decisions impacting consumers | Who: Insurers authorized to operate in Illinois | Penalty: Regulatory scrutiny and potential penalties for non-compliance
- Develop and implement an AI systems program | Who: Insurers authorized to operate in Illinois | Penalty: Regulatory scrutiny and potential penalties for non-compliance

### Industries Affected

Health Insurance

Technology

Finance

Consumer Protection

Healthcare

# Topics

AI Healthcare

AI in Insurance

AI Transparency

Comprehensive AI

## Bill Sponsors

Name	Party	Role
Dan McConchie		Primary
Laura Fine	Democratic	Primary
Martin A. Sandoval		Primary
Daniel Biss		Primary
Christine Radogno		Primary
Donne E. Trotter		Primary
Jack D. Franks		Cosponsor
Joseph M. Lyons		Cosponsor
John D'Amico		Cosponsor
Keith Farnham		Cosponsor
Barack Obama		Primary
RAUSCHENBERGER		Cosponsor

## Related Bills

- HB0035 (IL)
- HB5918 (IL)
- SB 1425 (IL)

## Official Source

<https://www.ilga.gov/Legislation/BillStatus?DocNum=1425&GAID;=18&DocTypeID;=SB&SessionID;=114&GA;=104>

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