

AI USE IN HEALTH INSURANCE ACT

Introduced

Risk: Medium

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, ensuring meaningful review by authorized individuals and oversight, including investigations by the Department of Insurance.

Business Impact

If you operate in health insurance, you must ensure AI systems undergo meaningful review by authorized individuals by January 1, 2025, or face penalties.

Key Provisions

- Establishes regulatory oversight of AI systems used by insurers, including investigations or market conduct actions.
- Prohibits adverse consumer outcomes, specifically the denial, reduction, or termination of insurance plans or benefits, based solely on AI decisions.
- Mandates meaningful review of AI-generated decisions by individuals with authority to override the AI systems.
- Allows the Department of Insurance to adopt emergency rules for implementation.
- Requires full and fair disclosure of AI system usage by insurers.
- Insurers must comply with all applicable insurance laws and regulations.

Compliance Checklist

- Ensure no adverse consumer outcomes result solely from AI decisions. | Who: Insurers authorized to operate in Illinois | Penalty: Potential regulatory action by the Department of Insurance
- Implement a meaningful review process for AI-generated decisions. | Who: Insurers authorized to operate in Illinois | Penalty: Regulatory penalties and potential fines

Industries Affected

Healthcare Consumer Protection Technology Health Insurance Finance

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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