104th ILLINOIS GENERAL ASSEMBLY:

The Illinois Senate stands adjourned for the week, after having convened Tuesday through Thursday. Senators will return to session Tuesday, March 10 – Thursday, March 13. The House is off again next week ahead of the March 17 Primary Election, gathering in Springfield again Wednesday, March 18 – Friday, March 20.

Note, Friday, March 13th is the deadline to pass substantive bills out of Senate committees; two weeks later, March 27, marks the House committee deadline.

A list of Senate Committee hearings for next week is here (scroll and click "week" to view the full list).

The Senate primarily spent the week contemplating legislation at the committee level. Highlights are below:

The Senate Insurance Committee held a subject matter hearing on SB 3114 (Koehler), which would prohibit health insurance companies from using artificial intelligence to code a health service lower than what is actually provided to patients. The measure requires doctors to make all downcoding decisions, and insurance companies must notify providers if a service has been downcoded. SB 3114 would also ban insurers from downcoding in a discriminatory manner against doctors who routinely treat patients with complex health conditions. The bill is an initiative of the Illinois State Medical Society. The Illinois Life and Health Insurance Council testified in opposition, arguing that downcoding is beneficial when it corrects unsupported and inaccurate coding. No vote was taken on the bill this week.

The Senate Insurance Committee unanimously approved SB 3815, which prohibits health insurance companies from denying new coverage to individuals or employers solely because they owe premiums from a previous policy. The measure allows insurers to continue to pursue collection of unpaid balances but ensures that outstanding debt does not act as a barrier to accessing care. The legislation also aims to restore consumer protections at the state level by ensuring Illinoisans can obtain new coverage without first resolving prior debt, while still holding individuals accountable for unpaid premiums through standard collection processes. The measure does not apply to grandfathered health plans, those established prior to the Affordable Care Act's enactment in 2010, which are exempt from certain federal requirements and are no longer available for purchase. SB 3815 now heads to the full Senate for consideration.

SB 3029 (Hastings) aims to protect Illinois homeowners from deceptive and high-pressure contractor practices that often follow severe weather and natural disasters. Specifically, the bill prohibits a contractor from offering home repair or remodeling services: while a loss-producing event – like a fire or storm – is occurring at the premises; while the fire department or emergency personnel are engaged at the premises; or between the hours of 7 p.m. and 8 a.m. Consumers, however, could still initiate solicitation with contractors during these scenarios. In addition -- unless the consumer initiates the solicitation -- the bill prohibits a contractor from soliciting an in-person contract for home repair or remodeling services within 72 hours after a disaster proclamation is issued. SB 3029 passed the Senate Insurance Committee by a vote of 9-0 and now heads to the full Senate.

Homeowners Insurance Rates: Last week, the House Rules Committee placed HB 3799 (Gabel/Hastings) on the calendar of concurrence. The measure failed previously in the Veto Session by a vote of 56-37-6. During his State of the State Address last week, the Governor called for action on the regulation of homeowner insurance rates as part of his affordability package.

HB 3799 establishes new rules for homeowners' insurance, including requiring: (1) insurance companies to provide at least 60 days' notice before nonrenewal and at least 60 days' notice for premium increases over 10%, as well as for changes in coverage or deductibles; (2) insurers to use credible, state-specific loss experience when setting rates; and (3) rates to be actuarially sound and not be excessive, inadequate, or unfairly discriminatory. The Department of Insurance is authorized to review insurance filings, issue orders, and require rebates if rates are deemed unfair. This legislation specifically applies to fire and extended coverage insurance for residential owner-occupied properties while excluding commercial, rental, and unoccupied properties. The legislation passed the Senate during the veto session by a vote of 41-15-1.

Meanwhile, Representative Thaddeus Jones filed a competing amendment on the insurance rate issue as HFA # 1 to SB 1486 (Hastings/Jones). The amendment outlines regulations for fire and extended coverage insurance policies, prohibiting companies from raising renewal premiums by more than 10% without providing at least 60 days' notice to the insured and the Department of Insurance. The legislation also establishes the Rates for Fire and Extended Coverage Insurance Article, which prohibits rates from being excessive, inadequate, or discriminatory. The new article also requires the use of credible state-specific loss data for rate development and authorizes insurers to supplement State-specific loss experience with countrywide, regional, or out-of-state loss experience to meet actuarial standards of credibility. HFA # 1 is assigned to the House Executive Committee.

Senate Republicans announced changes to the caucus's leadership team following Senator Neil Anderson's resignation from leadership last month. Senator Jason Plummer will serve as caucus chair, a position previously held by Senator Anderson. Senator Sally

Turner will serve as an assistant Republican leader. Senator Chapin Rose will serve as Minority Caucus Whip, stepping into the role previously occupied by Senator Turner.

<u>Key 2026 Session Dates:</u>
March 13: Deadline -- Substantive Senate Bills out of Committee
March 27: Deadline -- Substantive House Bills out of Committee
March 17: Primary Election
April 17: Deadline -- 3rd Reading Substantive Bills in First Chamber
May 8: Deadline -- Substantive Bills out of Committee in Second Chamber
May 22: Deadline -- 3rd Reading Substantive Bills in Second Chamber
May 31: Adjournment

GOVERNOR'S HIGHLIGHTS:

$**1.5 Billion in Medical Debt Erased for Cook County Residents**: Cook County Board President Toni Preckwinkle and Governor JB Pritzker announced that, with help from Undue Medical Debt, over $1.5 billion in medical debt owed by Cook County residents has been eliminated. The County plans to continue this effort after ARPA funds end in 2026 to support ongoing health equity and economic stability. Read more here.

OTHER NEWS:

Moody's State of Illinois Economic Forecast: Moody's prepared its annual State of Illinois Economic Forecast for the Commission on Government Forecasting and Accountability.

According to the report, Illinois' economy experienced a downturn in the latter half of 2025, with trade policy changes disproportionately impacting manufacturing-dependent regions. Job and income growth rates remain below the Midwestern average, and the scope of job creation across sectors has become increasingly limited, mirroring national trends. Within Illinois, employment growth has been observed year-over-year in healthcare, financial services, information, transportation and warehousing, construction, and government sectors. Conversely, continued underperformances were noted in retail, manufacturing, and professional/business services.

Over the most recent three-month period for which data is available, Illinois' unemployment rate averaged 4.5%, compared to 4.2% in the Midwest and 4.4% nationally. The decline in the state's unemployment rate is largely attributable to a reduced labor force rather than increased job creation, as household employment has stagnated. Looking ahead, forecasts indicate that in the coming year, Illinois' economic performance will lag behind both the Midwest and the broader United States. And while employment levels are expected to remain stable from the fourth quarter of 2025 to the fourth quarter of 2026, gross state product and income projected to grow at a slower pace than in other regions.

Although the negative effects of higher tariffs may ease somewhat, lingering uncertainty regarding trade policy will continue to impede growth, particularly in states like Illinois. Over the long term, the Moody's report notes, Illinois is anticipated to trail the Midwestern average and fall further behind national benchmarks in job and income growth. Below-average population trends and persistent fiscal challenges—including rising pension liabilities and a decreasing tax base -- pose significant obstacles to robust economic performance. Continued out-migration will further constrain employment and income growth prospects. Read the full report here.

CGFA February Report: In February 2026, General Funds revenues rebounded from a decline in January, increasing by $298 million (9.0%) to a total of $1.337 billion for the fiscal year; this reflects a 4.1% increase year-over-year. Personal Tax Receipts primarily drove the growth, marking a 7.6% uptick ($150 million). This particular source has shown growth in six of the last seven months due to continued wage growth.

Corporate Income Tax receipts fell by $23 million for the month, marking the fifth consecutive month of decline; the Commission notes that recent federal tax law changes are most likely responsible. And while Sales Tax revenues remained flat, the category of All Other State Sources experienced strong growth, led by a $60 million increase in Insurance Taxes and Fee

Another strong performer – marking an increase of $38 million (28.1%) -- was the category of Transfers-In, primarily due to Sports Wagering Transfers. Federal Sources saw a $30 million increase but will need to perform much better in the remaining months to meet annual estimates. Read the full report here.

Coalition Opposes Federal Rule Limiting Health Care Student Loans: Attorney General Raoul, together with a coalition of states' Attorneys General, has opposed a proposed rule by the U.S. Department of Education that would limit federal student loans for graduate students in health fields like nursing and physician assistants. The recent federal budget reconciliation caps federal loans for graduate students at $20,500 per year and $100,000 total, while allowing students in certain "professional" degrees to borrow up to $50,000 annually and $200,000 in total. The proposed rule would narrow eligibility for the higher loan amounts to only specific degrees listed by Congress, excluding many essential health profession fields. This, the coalition argues, could lead to increased financial barriers for students pursuing critical health careers, potentially worsening healthcare shortages.

Read the letter to the U.S. Department of Education here. More information is here.

Former US Attorneys File Brief in Voter Data Case: Eighteen former attorneys from the U.S. Department of Justice submitted an amicus brief in federal court this week opposing the Trump administration's lawsuit seeking access to sensitive personal information of every registered voter in Illinois.

In the amicus brief filed Monday in the U.S. District Court in Springfield, the attorneys — representing both Democratic and Republican administrations — contend that the Department of Justice lacks legal authority to request this information.

The attorneys also allege that the agency is concealing its true intent in seeking the data, asserting it aims "to enable the federal government to conduct its own list maintenance to determine whether noncitizens or undocumented immigrants are registered to vote." The brief is here.