

Sec. 143.17a. Notice of intention not to renew.

(a) A company intending to nonrenew any policy of insurance to which Section 143.11 applies, except for those defined in subsections (a), (b), (c), and (h) of Section 143.13, must mail written notice to the named insured at least 60 days prior to the expiration date of the current policy. In all notices of intention not to renew any policy of insurance, as defined in Section 143.11, the company shall provide a specific explanation of the reasons for nonrenewal. A company may not extend the current policy period for purposes of providing notice of its intention not to renew required under this subsection (a).

(b) A company intending to renew any policy of insurance to which Section 143.11 applies, except for those defined in subsections (a), (b), (c), and (h) of Section 143.13, with an increase in premium of 30% or more or with changes in deductibles or coverage that materially alter the policy must mail or deliver to the named insured written notice of such increase or change in deductible or coverage at least 60 days prior to the renewal or anniversary date. If a company has failed to provide notice of intention to renew required under this subsection (b) at least 60 days prior to the renewal or anniversary date, but does so no less than 31 days prior to the renewal or anniversary date, the company may extend the current policy at the current terms and conditions for the period of time needed to equal the 60 day time period required to provide notice of intention to renew by this subsection (b). The increase in premium shall be the renewal premium based on the known exposure as of the date of the quotation compared to the premium as of the last day of coverage for the current year's policy, annualized. The premium on the renewal policy may be subsequently amended to reflect any change in exposure or reinsurance costs not considered in the quotation.

(c) A company that has failed to provide notice of intention to nonrenew under subsection (a) of this Section and has failed to provide notice of intention to renew as prescribed under subsection (b) of this Section must renew the expiring policy under the same terms and conditions for an additional year or until the effective date of any similar insurance is procured by the insured, whichever is earlier. The company may increase the renewal premium. However, such increase must be less than 30% of the expiring term's premium and notice of such increase must be delivered to the named insured on or before the date of expiration of the current policy period.

(d) Under subsection (a), the company shall maintain proof of mailing of the notice of intention not to renew to the named insured on one of the following forms: a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service. Under subsections (b) and (c), proof of mailing or proof of receipt of the notice of intention to renew to the named insured may be proven by a sworn affidavit by the company as to the usual and customary business practices of mailing notice pursuant to this Section or may be proven consistent with Illinois Supreme Court Rule 236. For all notice requirements under this Section, an exact and unaltered copy of the notice to the named insured shall also be sent to the named insured's producer, if known, or the producer of record. For notices of intention to not renew, an exact and unaltered copy of the notice to the named insured shall also be sent to the mortgagee or lien holder at the last mailing address known by the company.

(e) Renewal of a policy does not constitute a waiver or estoppel with respect to grounds for cancellation that existed before the effective date of such renewal.

(f) For purposes of this Section, the named insured's producer, if known, or the producer of record and the mortgagee or lien holder may opt to accept notification electronically.  
(Source: P.A. 95-533, eff. 6-1-08.)