



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

TO: All Companies and Other Entities Licensed or Authorized to Transact Insurance Business
in the State of Illinois

FROM: Andrew Boron *AEB*
Director of Insurance

DATE: November 25, 2013

RE: Company Bulletin 2013-18
Exceptions for Consumers in Disaster Areas

As of November 19, 2013, Governor Pat Quinn has declared thirteen Illinois counties disaster areas due to significant storm damage. As a result of this current disaster in the State of Illinois, insurance consumers may experience disruption of mail delivery and displacement from their residences, businesses, and other properties.

To help provide safeguards for consumers and to ensure that Illinois consumers affected by this disaster do not suffer unnecessary hardship, all entities licensed or authorized to transact insurance business in this State (“insurers”) are hereby requested to implement the safeguards listed below for all lines of business. These safeguards address problems consumers will face due to circumstances that make it difficult for consumers to take normal action required by policy language or otherwise required by insurers. We hope these measures provide some peace of mind to disaster victims during the recovery process and help ensure that they do not lose important insurance coverage during the time they need it most.

Effective immediately, all insurers are requested to implement the guidelines below to govern treatment of all policyholders affected by this disaster, who reside in or own any property located in or around the counties that have been declared disaster areas by Governor Pat Quinn. Insurers need not file policy or rating manual changes in order to comply with any of the following guidelines:

- *Moratorium on cancellations and nonrenewals.* For any cancellation or nonrenewal notice issued on or after November 10, 2013 on any in-force policy issued to an affected policyholder or respecting affected property, insurers should withdraw the cancellation or nonrenewal and reinstate the policy with no lapse in coverage. In addition, insurers should not issue any new cancellation or nonrenewal notices to affected policyholders or for affected property until January 11, 2014, or a later time if deemed reasonable given an individual consumer’s circumstance.

- *Other insurance-related time-period extensions.* Insurers should grant to affected policyholders an extension of any and all policy provisions or other requirements that impose a time limit for an insured or claimant to perform any act, including the submission of a claim or proof of loss, reporting of information, submission of bills, or payment of funds. Such extension should be for a minimum of 60 days from the last date allowed or required under the terms of the contract or allowed or required by the insurer, or longer if deemed reasonable given an individual consumer's circumstance.
- *Time-period extension for repairs.* In the event repairs on affected property cannot be completed within the time period required under any policy, or within the 90-day time period for repairs prior to termination due to condition of the property [215 ILCS 5/143.27], insurers should provide consumers with an extension of not less than 60 days to make such repairs.
- *Cancellation or nonrenewal respecting affected property.* Although otherwise allowed under Illinois law, insurers should refrain from canceling or nonrenewing insurance policies respecting affected property due to "increase in the risk originally accepted" [215 ILCS 5/143.21 and 143.21.1] or due to the geographic location of the risk [215 ILCS 5/155.22].
- *Other exceptions to policy or contract requirements or rating or underwriting rules.* Insurers should consider exceptions to policy or contract requirements, or to other rating or underwriting rules not otherwise listed herein, when such contractual requirements or rating or underwriting rules are not met as a result of this disaster. Exceptions to policy or contract requirements or rating or underwriting rules should include instances where an insured is displaced from his or her home and is unable to obtain non-emergency medical services from a network provider.
- *Insurer Websites.* Insurers should post on their websites all actions taken to implement the requirements of this bulletin.
- *Availability of the Illinois Department of Insurance.* Insurers should advise Illinois consumers of the availability of the Department for filing a complaint regarding any disaster-related dispute or issue. Consumers shall be advised that they may call the Department's toll-free complaint hotline at 1-866-445-5364, or file a complaint online at: <http://insurance.illinois.gov/Home/ComplaintLinks.asp>

These measures should be implemented immediately. It is my expectation that where insurers are guided by a "reasonableness" standard, they will err on the side of the consumer. It is also my sincere hope that all insurers in this State will assist consumers during this time of need.

Any insurer that is unable or unwilling to comply with these directives should inform the Department in writing of the reason(s) for its inability or unwillingness to comply no later than November 27, 2013. Any such written notice of non-compliance should be sent by overnight courier to: Robert Rapp, 320 W. Washington Ave., Springfield, Illinois 62767.