

1 or lien holder at the last mailing address known by the
2 company. However, where cancellation is for nonpayment of
3 premium, the notice of cancellation must be mailed at least
4 10 days before the effective date of the cancellation.

5 b. This Section does not apply if the company has
6 manifested its willingness to renew directly to the named
7 insured. Provided, however, that no company may increase the
8 renewal premium on any policy of insurance to which Section
9 143.11 applies, except for those defined in subsections (a),
10 (b), (c), and (h) of Section 143.13, by 30% or more, nor
11 impose changes in deductibles or coverage that materially
12 alter the policy, unless the company shall have mailed or
13 delivered to the named insured written notice of such
14 increase or change in deductible or coverage at least 60 days
15 prior to the renewal or anniversary date. The increase in
16 premium shall be the renewal premium based on the known
17 exposure as of the date of the quotation compared to the
18 premium as of the last day of coverage for the current year's
19 policy, annualized. The premium on the renewal policy may be
20 subsequently amended to reflect any change in exposure or
21 reinsurance costs not considered in the quotation. An exact
22 and unaltered copy of such notice shall also be sent to the
23 insured's broker, if known, or the agent of record. If the
24 company intends to increase the premium on a policy by 30% or
25 more and the renewal date is less than 60 but more than 30
26 days away, then the company must extend the current policy
27 under the same terms, conditions, and premium to allow 60
28 days notice of renewal and provide the actual renewal premium
29 quotation and any change in coverage or deductible on the
30 policy. Proof of mailing or proof of receipt may be proven by
31 a sworn affidavit by the insurer as to the usual and
32 customary business practices of mailing notice pursuant to
33 this Section or may be proven consistent with Illinois
34 Supreme Court Rule 236. The-company-shall-maintain-proof-of

1 ~~mailing-or-proof-of-receipt-whichever-is-required.~~

2 c. Should a company fail to comply with the notice
3 requirements of this Section, the policy shall terminate only
4 as provided in this subsection. In the event of a nonrenewal,
5 if a notice of nonrenewal is not provided at least 31-days,
6 but-less-than 60 days prior to expiration of the policy, the
7 policy shall be extended for an additional year a-period-of
8 60-days-or-until-the-effective-date-of-any-similar--insurance
9 procured-by-the-insured,~~whichever-is-less,~~ on the same terms
10 and conditions as the policy sought to be terminated. In the
11 event notice is provided less than 31 days prior to the
12 expiration of the policy, the policy shall be extended for a
13 period of one year or until the effective date of any similar
14 insurance procured by the insured, whichever is less, on the
15 same terms and conditions as the policy sought to be
16 terminated unless the insurer has manifested its willingness
17 to renew at a premium which represents an increase not
18 exceeding 30%. ~~The-premium-for-coverage-shall-be-prorated--in~~
19 ~~accordance--with--the--amount-of-the-last-year's-premium,~~and~~~~
20 ~~the-company--shall--be--entitled--to--this--premium--for--the~~
21 ~~extension--of--coverage--and-such-extension-may-be-contingent~~
22 ~~upon-the-payment-of-such-premium.~~

23 d. Renewal of a policy does not constitute a waiver or
24 estoppel with respect to grounds for cancellation which
25 existed before the effective date of such renewal.

26 e. In all notices of intention not to renew any policy
27 of insurance, as defined in Section 143.11 the company shall
28 provide a specific explanation of the reasons for nonrenewal.
29 (Source: P.A. 89-669, eff. 1-1-97.)

30 Section 99. Effective date. This Act takes effect upon
31 becoming law."