



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2947

Introduced 1/27/2026, by Sen. Michael E. Hastings

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.17 from Ch. 73, par. 755.17  
215 ILCS 5/Art. XLVIII heading new  
215 ILCS 5/1801 new  
215 ILCS 5/1802 new  
215 ILCS 5/1803 new  
215 ILCS 5/1804 new  
215 ILCS 5/1805 new

Amends the Illinois Insurance Code. In provisions regarding the notice of intention not to renew a policy of insurance, provides that no company may impose renewal premium increases of more than 10% for policies of fire and extended coverage insurance that are subject to certain cancellation requirements, unless the company mails or delivers by electronic means to the named insured notice of the increase in renewal premium at least 60 days before the policy renewal or anniversary date. Creates the Rates for Fire and Extended Coverage Insurance Article. Contains provisions concerning the purpose and applicability of the Article. Prohibits rates from being excessive, inadequate, or unfairly discriminatory, as specified. Sets forth provisions concerning determinations and notice from the Department of Insurance and hearings on the notice. Provides that credible State-specific loss experience shall be used in the development of rates whenever that data is available and statistically reliable. Authorizes insurers, in order to meet actuarial standards of credibility, to supplement State-specific loss experience with countrywide, regional, or out-of-state loss experience. Effective January 1, 2027.

LRB104 19637 BAB 33086 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Section 143.17 and by adding Article XLVIII as  
6 follows:

7 (215 ILCS 5/143.17) (from Ch. 73, par. 755.17)

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

9 a. No company shall fail to renew any policy of insurance,  
10 as defined in subsections (a), (b), (c), and (h) of Section  
11 143.13, to which Section 143.11 applies, unless it shall send  
12 by mail to the named insured at least 30 days advance notice of  
13 its intention not to renew. The company shall maintain proof  
14 of mailing of such notice on a recognized U.S. Post Office form  
15 or a form acceptable to the U. S. Post Office or other  
16 commercial mail delivery service. The nonrenewal shall not  
17 become effective until at least 30 days from the proof of  
18 mailing date of the notice to the name insured. Notification  
19 shall also be sent to the insured's broker, if known, or the  
20 agent of record, if known, and to the last known mortgagee or  
21 lien holder. For purposes of this Section, the mortgagee or  
22 lien holder, insured's broker, or the agent of record may opt  
23 to accept notification electronically. However, where

1 cancellation is for nonpayment of premium, the notice of  
2 cancellation must be mailed at least 10 days before the  
3 effective date of the cancellation.

4 b. This Section does not apply if the company has  
5 manifested its willingness to renew directly to the named  
6 insured. Such written notice shall specify the premium amount  
7 payable, including any premium payment plan available, and the  
8 name of any person or persons, if any, authorized to receive  
9 payment on behalf of the company. If no person is so  
10 authorized, the premium notice shall so state.

11 b-5. This Section does not apply if the company manifested  
12 its willingness to renew directly to the named insured.  
13 However, no company may impose renewal premium increases of  
14 more than 10% for lines of business enumerated in subsection  
15 (b) of Section 143.13 to which Section 143.11 applies unless  
16 the company mails or delivers by electronic means, in  
17 compliance with Section 143.34, to the named insured notice of  
18 the increase in renewal premium at least 60 days before the  
19 renewal or anniversary date. No ~~no~~ company may impose changes  
20 in deductibles or coverage for any policy forms applicable to  
21 an entire line of business enumerated in subsections (a), (b),  
22 (c), and (h) of Section 143.13 to which Section 143.11 applies  
23 unless the company mails or delivers by electronic means, in  
24 compliance with Section 143.34, to the named insured written  
25 notice of the change in deductible or coverage at least 60 days  
26 prior to the renewal or anniversary date. For purposes of this

1 subsection, "lines of business enumerated in subsection (b) of  
2 Section 143.13 to which Section 143.11 applies" does not  
3 include lines of business excluded under paragraph (1), (2),  
4 (3), or (4) of Section 1802.

5 Notice shall also be sent to the insured's broker, if  
6 known, or the agent of record. For purposes of this subsection  
7 b-5, policyholder-initiated changes to coverage and exposure  
8 changes are not included in the renewal premium increases that  
9 require a company to provide notice to the insured.

10 c. Should a company fail to comply with (a) or (b) of this  
11 Section, the policy shall terminate only on the effective date  
12 of any similar insurance procured by the insured with respect  
13 to the same subject or location designated in both policies.

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

17 e. In all notices of intention not to renew any policy of  
18 insurance, as defined in Section 143.11 the company shall  
19 provide the named insured a specific explanation of the  
20 reasons for nonrenewal.

21 f. For purposes of this Section, the insured's broker, if  
22 known, or the agent of record and the mortgagee or lien holder  
23 may opt to accept notification electronically.

24 (Source: P.A. 100-475, eff. 1-1-18.)

25 (215 ILCS 5/Art. XLVIII heading new)

1 ARTICLE XLVIII. RATES FOR FIRE AND EXTENDED COVERAGE INSURANCE

2 (215 ILCS 5/1801 new)

3 Sec. 1801. Purpose. The purpose of this Article is to  
4 promote the public welfare by regulating fire and extended  
5 coverage insurance rates so that the rates will not be  
6 excessive, inadequate, or unfairly discriminatory. Nothing in  
7 this Article is intended to prohibit or discourage reasonable  
8 competition or to authorize or encourage, except to the extent  
9 necessary to accomplish the purpose of this Article,  
10 uniformity in insurance rates, rating systems, rating plans,  
11 or practices. This Article shall be liberally construed to  
12 carry into effect the provisions of this Section.

13 (215 ILCS 5/1802 new)

14 Sec. 1802. Applicability. This Article applies to policies  
15 of fire and extended coverage insurance, as defined in  
16 subsection (b) of Section 143.13 of this Code, to which  
17 Section 143.11 of this Code applies. This Article does not  
18 apply to the following:

19 (1) policies for any commercial liability and property  
20 insurance;

21 (2) policies for a structure, all or part of which is  
22 leased or rented, regardless of whether the insured  
23 occupied all or part of the structure as a primary  
24 residence;

1           (3) policies for a structure that is unoccupied and  
2           intended by the insured to be sold, leased, or rented or  
3           policies for a structure that is unoccupied and under  
4           active construction, renovation, or substantial  
5           improvement and that is intended by the insured to be  
6           sold, leased, or rented; and

7           (4) policies for a home or dwelling that is part of a  
8           farm policy, regardless of whether the insured owned the  
9           dwelling or occupied the dwelling as a primary residence.

10           (215 ILCS 5/1803 new)

11           Sec. 1803. Rate standards; excessive, inadequate, or  
12           unfairly discriminatory.

13           (a) Rates shall not be excessive, inadequate, or unfairly  
14           discriminatory.

15           (b) A rate is inadequate if it endangers the solvency of  
16           the insurer.

17           (c) A rate is unfairly discriminatory if, after allowing  
18           for practical limitations, the price differentials fail to  
19           reflect the difference in expected losses and expenses. A rate  
20           is not unfairly discriminatory if different rates result for  
21           policyholders with similar loss exposures but different  
22           expenses, or similar expenses but different loss exposures, so  
23           long as the rate reflects the differences with reasonable  
24           accuracy.

25           (d) A rate is reasonable and not excessive, inadequate, or

1 unfairly discriminatory if it is an actuarially sound estimate  
2 of the expected value of all future costs associated with an  
3 individual risk transfer.

4 (215 ILCS 5/1804 new)

5 Sec. 1804. Determinations and notice; hearing.

6 (a) If the Department proves through independent actuarial  
7 testing consistent with actuarial professional standards that  
8 a filing is excessive, inadequate, or unfairly discriminatory  
9 pursuant to subsection (d) of this Section and Section 1803,  
10 the Department shall send the company notice within 60 days  
11 after the filing specifying: (1) in what respects the filing  
12 fails to meet the requirements of this Article, and (2) if  
13 applicable, any modifications that are required. The notice  
14 shall specify a reasonable period after which the filing is no  
15 longer effective if the company fails to timely request a  
16 hearing under subsection (b). If the company timely requests a  
17 hearing under subsection (b), the filing shall remain in  
18 effect until the conclusion of the hearing and a final order is  
19 issued. If the Department finds that a rate is excessive,  
20 inadequate, or unfairly discriminatory pursuant to this  
21 Article, the final order may specify a reasonable period after  
22 which the filing is no longer effective.

23 (b) The company may request a hearing on the notice within  
24 30 days after receipt. Failure to request a hearing within  
25 that 30-day period shall be deemed the company's acceptance of

1 the Department's determination. Failure by the Department to  
2 hold the requested hearing within 60 days after the request  
3 and to resolve the outcome of the hearing within 90 days after  
4 the initial request shall result in dismissal of the  
5 Department's objection and the filing will remain in effect.

6 (c) All material, testing, and communication regarding  
7 activities outlined in subsections (a) and (b) of this Section  
8 shall be regarded as confidential work papers.

9 (d) Subsections (a), (b), and (c) shall apply only to  
10 filings submitted on or after January 1, 2027. Failure of the  
11 Department to make timely objections as outlined in subsection  
12 (a) shall result in the filing being deemed compliant with  
13 this Article.

14 (e) Any party aggrieved by a final order under this  
15 Article may seek judicial review in the Circuit Court of  
16 Sangamon County under the Administrative Review Law.

17 (215 ILCS 5/1805 new)

18 Sec. 1805. Prohibition on cost-shifting. Credible  
19 State-specific loss experience shall be used in the  
20 development of rates whenever such data is available and  
21 statistically reliable. To meet actuarial standards of  
22 credibility, insurers may supplement State-specific loss  
23 experience with countrywide, regional, or out-of-state loss  
24 experience. Nothing in this Section shall apply to rating  
25 relativity development during ratemaking. This Section shall

1 only apply to companies issuing policies that are subject to  
2 this Article.

3 Section 99. Effective date. This Act takes effect January  
4 1, 2027.