



Rep. Thaddeus Jones

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10400SB1486ham001

LRB104 11472 JDS 34873 a

1 AMENDMENT TO SENATE BILL 1486

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1486 by replacing  
3 everything after the enacting clause with the following:

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

1 become effective until at least 30 days from the proof of  
2 mailing date of the notice to the name insured. Notification  
3 shall also be sent to the insured's broker, if known, or the  
4 agent of record, if known, and to the last known mortgagee or  
5 lien holder. For purposes of this Section, the mortgagee or  
6 lien holder, insured's broker, or the agent of record may opt  
7 to accept notification electronically. However, where  
8 cancellation is for nonpayment of premium, the notice of  
9 cancellation must be mailed at least 10 days before the  
10 effective date of the cancellation.

11 b. This Section does not apply if the company has  
12 manifested its willingness to renew directly to the named  
13 insured. Such written notice shall specify the premium amount  
14 payable, including any premium payment plan available, and the  
15 name of any person or persons, if any, authorized to receive  
16 payment on behalf of the company. If no person is so  
17 authorized, the premium notice shall so state.

18 b-5. This Section does not apply if the company manifested  
19 its willingness to renew directly to the named insured.  
20 However, no company may impose renewal premium increases of  
21 more than 10% for lines of business enumerated in subsection  
22 (b) of Section 143.13 to which Section 143.11 applies unless  
23 the company mails or delivers by electronic means, in  
24 compliance with Section 143.34, to the named insured the  
25 increase in renewal premium at least 60 days prior to the  
26 renewal or anniversary date. No ~~no~~ company may impose changes

1 in deductibles or coverage for any policy forms applicable to  
2 an entire line of business enumerated in subsections (a), (b),  
3 (c), and (h) of Section 143.13 to which Section 143.11 applies  
4 unless the company mails or delivers by electronic means, in  
5 compliance with Section 143.34, to the named insured written  
6 notice of the change in deductible or coverage at least 60 days  
7 prior to the renewal or anniversary date. For purposes of this  
8 subsection, "lines of business enumerated in subsection (b) of  
9 Section 143.13 to which Section 143.11 applies" does not  
10 include lines of business excluded under paragraph (1), (2),  
11 (3), or (4) of Section 1802.

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

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

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

24 e. In all notices of intention not to renew any policy of  
25 insurance, as defined in Section 143.11 the company shall  
26 provide the named insured a specific explanation of the

1 reasons for nonrenewal.

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

5 g. The changes made to this Section by this amendatory Act  
6 of the 104th General Assembly apply to renewal premium notices  
7 sent on or after July 1, 2027.

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

9 (215 ILCS 5/Art. XLVIII heading new)

10 ARTICLE XLVIII. RATES FOR FIRE AND EXTENDED COVERAGE INSURANCE

11 (215 ILCS 5/1801 new)

12 Sec. 1801. Purpose. The purpose of this Article is to  
13 promote the public welfare by regulating fire and extended  
14 coverage insurance rates so that the rates will not be  
15 excessive, inadequate, or unfairly discriminatory. Nothing in  
16 this Article is intended to prohibit or discourage reasonable  
17 competition or to authorize or encourage, except to the extent  
18 necessary to accomplish the purpose of this Article,  
19 uniformity in insurance rates, rating systems, rating plans,  
20 or practices. This Article shall be liberally construed to  
21 carry into effect the provisions of this Section.

22 (215 ILCS 5/1802 new)

23 Sec. 1802. Applicability.

1       (a) This Article applies to policies of fire and extended  
2 coverage insurance, as defined in subsection (b) of Section  
3 143.13 of this Code, to which Section 143.11 of this Code  
4 applies. This Article does not apply to the following:

5           (1) policies for any commercial liability and property  
6 insurance;

7           (2) policies for a structure, all or part of which is  
8 leased or rented, regardless of whether the insured  
9 occupied all or part of the structure as a primary  
10 residence;

11           (3) policies for a structure that is unoccupied and  
12 intended by the insured to be sold, leased, or rented or  
13 policies for a structure that is unoccupied and under  
14 active construction, renovation, or substantial  
15 improvement and that is intended by the insured to be  
16 sold, leased, or rented; and

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

20       (b) The provisions of this Article apply only to filings  
21 made on or after July 1, 2027.

22       (215 ILCS 5/1803 new)

23       Sec. 1803. Rate standards; excessive, inadequate, or  
24 unfairly discriminatory.

25       (a) Rates shall not be excessive, inadequate, or unfairly

1 discriminatory.

2 (b) A rate is inadequate if it endangers the solvency of  
3 the insurer.

4 (c) A rate is unfairly discriminatory if, after allowing  
5 for practical limitations, the price differentials fail to  
6 reflect the difference in expected losses and expenses. A rate  
7 is not unfairly discriminatory if different rates result for  
8 policyholders with similar loss exposures but different  
9 expenses, or similar expenses but different loss exposures, so  
10 long as the rate reflects the differences with reasonable  
11 accuracy.

12 (d) A rate is reasonable and not excessive, inadequate, or  
13 unfairly discriminatory if it is an actuarially sound estimate  
14 of the expected value of all future costs associated with an  
15 individual risk transfer.

16 (215 ILCS 5/1804 new)

17 Sec. 1804. Determinations and notice; hearing.

18 (a) If the Department determines via actuarial review that  
19 a filing is excessive, inadequate, or unfairly discriminatory  
20 pursuant to Section 1803, the Department shall send the  
21 company notice, within 60 days after receipt of a complete  
22 filing, either via the System for Electronic Rates and Forms  
23 Filing (SERFF) or another filing system determined by the  
24 Department, specifying: (1) in what respects the filing fails  
25 to meet the requirements of this Article and (2) if

1 applicable, any modifications that are required. The notice  
2 shall specify a reasonable period after which the filing is no  
3 longer effective if the company fails to timely request a  
4 hearing under subsection (b). If the company timely requests a  
5 hearing under subsection (b), the filing shall remain in  
6 effect until the conclusion of the hearing and a final order is  
7 issued. If the Department finds that a rate is excessive,  
8 inadequate, or unfairly discriminatory pursuant to this  
9 Article, the final order may specify a reasonable period after  
10 which the filing is no longer effective and any rebates that  
11 must be remitted to affected consumers. Failure of the  
12 Department to provide timely notice under this Section within  
13 60 days after the receipt of a complete filing as defined in  
14 subsection (d) shall result in the filing being deemed  
15 compliant with this Article. The 60-day period in which the  
16 Department is authorized under this Section to determine a  
17 filing is excessive, inadequate, or unfairly discriminatory is  
18 neither waivable nor subject to extension.

19 (b) The company may request a hearing on the notice within  
20 30 days after receipt. Failure to request a hearing within 30  
21 days shall be deemed the company's acceptance of the  
22 Department's determination. Failure by the Department to hold  
23 the requested hearing within 60 days of request, and to  
24 resolve the outcome of the hearing within 90 days of the  
25 hearing date or the filing of post-briefing submissions  
26 allowed by the Hearing Officer, whichever is later, shall

1 result in the dismissal of the Department's notice and shall  
2 cause the filing to remain in effect.

3 (c) The action of the Director in objecting to a filing  
4 under this Article is subject to judicial review under the  
5 Administrative Review Law.

6 (d) A filing shall be deemed a complete filing when all  
7 required documents have been submitted to the Department and  
8 the Department does not reject the filing for incompleteness  
9 within 30 days after receipt of the filing. The rejection  
10 letter must set forth the documents or other information that  
11 is required to complete the filing. The Director, by rule,  
12 shall establish minimum standards to determine a complete  
13 filing. A resubmission of a rejected filing, including any  
14 additional documents or information specified by the  
15 Department in its rejection letter, shall be deemed a new  
16 filing for purposes of this Section.

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 July 1,  
4 2027.".