



Rep. Robyn Gabel

Filed: 3/18/2026

10400SB1486ham002

LRB104 11472 BAB 35602 a

1 AMENDMENT TO SENATE BILL 1486

2 AMENDMENT NO. _____. Amend Senate Bill 1486, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Insurance Code is amended by
6 changing Sections 143.17 and 143.29 and by adding Article
7 XLVIII as follows:

8 (215 ILCS 5/143.17) (from Ch. 73, par. 755.17)

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

10 a. No company shall fail to renew any policy of insurance,
11 as defined in subsections (a), (b), (c), and (h) of Section
12 143.13, to which Section 143.11 applies, unless it shall send
13 by mail to the named insured at least 30 days advance notice of
14 its intention not to renew. The company shall maintain proof
15 of mailing of such notice on a recognized U.S. Post Office form
16 or a form acceptable to the U. S. Post Office or other

1 commercial mail delivery service. The nonrenewal shall not
2 become effective until at least 30 days from the proof of
3 mailing date of the notice to the name insured. Notification
4 shall also be sent to the insured's broker, if known, or the
5 agent of record, if known, and to the last known mortgagee or
6 lien holder. For purposes of this Section, the mortgagee or
7 lien holder, insured's broker, or the agent of record may opt
8 to accept notification electronically. However, where
9 cancellation is for nonpayment of premium, the notice of
10 cancellation must be mailed at least 10 days before the
11 effective date of the cancellation.

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

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

1 renewal or anniversary date. No ~~no~~ company may impose changes
2 in deductibles or coverage for any policy forms applicable to
3 an entire line of business enumerated in subsections (a), (b),
4 (c), and (h) of Section 143.13 to which Section 143.11 applies
5 unless the company mails or delivers by electronic means, in
6 compliance with Section 143.34, to the named insured written
7 notice of the change in deductible or coverage at least 60 days
8 prior to the renewal or anniversary date. For purposes of this
9 subsection, "lines of business enumerated in subsections (a)
10 and (b) of Section 143.13 to which Section 143.11 applies"
11 does not include lines of business excluded under paragraph
12 (1), (2), (3), or (4) of Section 1802.

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

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

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

25 e. In all notices of intention not to renew any policy of
26 insurance, as defined in Section 143.11 the company shall

1 provide the named insured a specific explanation of the
2 reasons for nonrenewal.

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

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

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

10 (215 ILCS 5/143.29) (from Ch. 73, par. 755.29)

11 Sec. 143.29. (a) The rates and premium charges for every
12 policy of automobile liability insurance shall include
13 appropriate reductions as determined by the insurer for any
14 insured over age 55 upon successful completion of the National
15 Safety Council's Defensive Driving Course or a motor vehicle
16 crash prevention course, including an eLearning course, that
17 is found by the Secretary of State to meet or exceed the
18 standards of the National Safety Council's Defensive Driving
19 Course's 4-hour ~~8-hour~~ classroom safety instruction program or
20 eLearning course.

21 (b) The premium reduction shall remain in effect for the
22 qualifying insured for a period of 3 years from the date of
23 successful completion of the crash prevention course, except
24 that the insurer may elect to apply the premium reduction
25 beginning either with the last effective date of the policy or

1 the next renewal date of the policy if the reduction will
2 result in a savings as though applied over a full 3 year
3 period. An insured who has completed the course of instruction
4 prior to July 1, 1982 shall receive the insurance premium
5 reduction for only the period remaining within the 3 years
6 from course completion. The period of premium reduction for an
7 insured who has repeated the crash prevention course shall be
8 based upon the last such course the insured has successfully
9 completed.

10 (c) Any crash prevention course approved by the Secretary
11 of State under this Section shall be taught by an instructor
12 approved by the Secretary of State, shall consist of at least 4
13 hours ~~8 hours~~ of classroom or eLearning equivalent instruction
14 and shall provide for a certificate of completion. Records of
15 certification of course completion shall be maintained in a
16 manner acceptable to the Secretary of State.

17 (d) Any person claiming eligibility for a rate or premium
18 reduction shall be responsible for providing to his insurance
19 company the information necessary to determine eligibility.

20 (e) This Section shall not apply to:

21 (1) any motor vehicle which is a part of a fleet or is
22 used for commercial purposes unless there is a regularly
23 assigned principal operator.

24 (2) any motor vehicle subject to a higher premium rate
25 because of the insured's previous motor vehicle claim
26 experience or to any motor vehicle whose principal

1 operator has been convicted of violating any of the motor
2 vehicle laws of this State, until that operator shall have
3 maintained a driving record free of crashes and moving
4 violations for a continuous one year period, in which case
5 such driver shall be eligible for a reduction the
6 remaining 2 years of the 3 year period.

7 (3) any motor vehicle whose principal operator has had
8 his drivers license revoked or suspended for any reason by
9 the Secretary of State within the previous 36 months.

10 (4) any policy of group automobile insurance under
11 which premiums are broadly averaged for the group rather
12 than determined individually.

13 (Source: P.A. 102-397, eff. 1-1-22; 102-982, eff. 7-1-23.)

14 (215 ILCS 5/Art. XLVIII heading new)

15 ARTICLE XLVIII. RATES FOR AUTOMOBILE INSURANCE AND FIRE AND
16 EXTENDED COVERAGE INSURANCE

17 (215 ILCS 5/1801 new)

18 Sec. 1801. Purpose. The purpose of this Article is to
19 promote the public welfare by regulating automobile insurance
20 and fire and extended coverage insurance rates so that the
21 rates will not be excessive, inadequate, or unfairly
22 discriminatory. Nothing in this Article is intended to
23 prohibit or discourage reasonable competition or to authorize
24 or encourage, except to the extent necessary to accomplish the

1 purpose of this Article, uniformity in insurance rates, rating
2 systems, rating plans, or practices. This Article shall be
3 liberally construed to carry into effect the provisions of
4 this Section.

5 (215 ILCS 5/1802 new)

6 Sec. 1802. Applicability.

7 (a) This Article applies to policies of automobile
8 insurance and fire and extended coverage insurance, as defined
9 in subsections (a) and (b) of Section 143.13 of this Code, to
10 which Section 143.11 of this Code applies. This Article does
11 not apply to the following:

12 (1) policies for any commercial liability and property
13 insurance;

14 (2) policies for a structure, all or part of which is
15 leased or rented, regardless of whether the insured
16 occupied all or part of the structure as a primary
17 residence;

18 (3) policies for a structure that is unoccupied and
19 intended by the insured to be sold, leased, or rented or
20 policies for a structure that is unoccupied and under
21 active construction, renovation, or substantial
22 improvement and that is intended by the insured to be
23 sold, leased, or rented; and

24 (4) policies for a home or dwelling that is part of a
25 farm policy, regardless of whether the insured owned the

1 dwelling or occupied the dwelling as a primary residence.

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

4 (215 ILCS 5/1803 new)

5 Sec. 1803. Rate standards; excessive, inadequate, or
6 unfairly discriminatory.

7 (a) Rates shall not be excessive, inadequate, or unfairly
8 discriminatory.

9 (b) A rate is inadequate if it endangers the solvency of
10 the insurer.

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

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

23 (215 ILCS 5/1804 new)

24 Sec. 1804. Determinations and notice; hearing.

1 (a) If the Department determines via actuarial review that
2 a filing is excessive, inadequate, or unfairly discriminatory
3 pursuant to Section 1803, the Department shall send the
4 company notice, within 60 days after receipt of a complete
5 filing, either via the System for Electronic Rates and Forms
6 Filing (SERFF) or another filing system determined by the
7 Department, specifying: (1) in what respects the filing fails
8 to meet the requirements of this Article and (2) if
9 applicable, any modifications that are required. The notice
10 shall specify a reasonable period after which the filing is no
11 longer effective if the company fails to timely request a
12 hearing under subsection (b). If the company timely requests a
13 hearing under subsection (b), the filing shall remain in
14 effect until the conclusion of the hearing and a final order is
15 issued. If the Department finds that a rate is excessive,
16 inadequate, or unfairly discriminatory pursuant to this
17 Article, the final order may specify a reasonable period after
18 which the filing is no longer effective and any rebates that
19 must be remitted to affected consumers. Failure of the
20 Department to provide timely notice under this Section within
21 60 days after the receipt of a complete filing as defined in
22 subsection (d) shall result in the filing being deemed
23 compliant with this Article. The 60-day period in which the
24 Department is authorized under this Section to determine a
25 filing is excessive, inadequate, or unfairly discriminatory is
26 neither waivable nor subject to extension.

1 (b) The company may request a hearing on the notice within
2 30 days after receipt. Failure to request a hearing within 30
3 days shall be deemed the company's acceptance of the
4 Department's determination. Failure by the Department to hold
5 the requested hearing within 60 days of request, and to
6 resolve the outcome of the hearing within 90 days of the
7 hearing date or the filing of post-briefing submissions
8 allowed by the Hearing Officer, whichever is later, shall
9 result in the dismissal of the Department's notice and shall
10 cause the filing to remain in effect.

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

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

1 Sec. 1805. Prohibition on cost-shifting. Credible
2 State-specific loss experience shall be used in the
3 development of rates whenever such data is available and
4 statistically reliable. To meet actuarial standards of
5 credibility, insurers may supplement State-specific loss
6 experience with countrywide, regional, or out-of-state loss
7 experience. Nothing in this Section shall apply to rating
8 relativity development during ratemaking. This Section shall
9 only apply to companies issuing policies that are subject to
10 this Article.

11 Section 99. Effective date. This Act takes effect July 1,
12 2027."