AN ACT concerning regulation.

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

Section 5. The Illinois Insurance Code is amended by changing Sections 143.16 and 143.17 and by adding Section 143.21e and Article XLVIII as follows:

(215 ILCS 5/143.16) (from Ch. 73, par. 755.16)

Sec. 143.16. Mailing of cancellation notice. All notices of cancellation of insurance to which Section 143.11 applies~~, except for those defined in subsections (a), (b) and (c) of Section 143.13~~ must be mailed at least 30 days prior to the effective date of cancellation during the first 60 days of coverage. After the coverage has been effective for 61 days or more, all notices must be mailed at least 60 days prior to the effective date of cancellation. However, where cancellation is for nonpayment of premium, the notice of cancellation must be mailed at least 10 days before the effective date of the cancellation. All such notices shall include a specific explanation of the reason or reasons for cancellation and shall be mailed to the named insured at the last mailing address known to the company. For purposes of this Section, the mortgagee or lien holder, if known, may opt to accept notification electronically.

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

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

Sec. 143.17. Notice of intention not to renew.

a. No company shall fail to renew any policy of insurance, as defined in subsections (a), (b), (c), and (h) of Section 143.13, to which Section 143.11 applies, unless it shall send by mail to the named insured at least 60 ~~30~~ days advance notice of its intention not to renew. The company shall maintain proof of mailing of such notice on a recognized U.S. Post Office form or a form acceptable to the U. S. Post Office or other commercial mail delivery service. The nonrenewal shall not become effective until at least 60 ~~30~~ days from the proof of mailing date of the notice to the name insured. Notification shall also be sent to the insured's broker, if known, or the agent of record, if known, and to the last known mortgagee or lien holder. For purposes of this Section, the mortgagee or lien holder, insured's broker, or the agent of record may opt to accept notification electronically. However, where cancellation is for nonpayment of premium, the notice of cancellation must be mailed at least 10 days before the effective date of the cancellation.

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

b-5. This Section does not apply if the company manifested its willingness to renew directly to the named insured. However, no company may impose changes in deductibles or coverage for any policy forms applicable to an entire line of business enumerated in subsections (a), (b), (c), and (h) of Section 143.13 to which Section 143.11 applies unless the company mails to the named insured written notice of the change in deductible or coverage at least 60 days prior to the renewal or anniversary date. Notice shall also be sent to the insured's broker, if known, or the agent of record.

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

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

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

f. For purposes of this Section, the insured's broker, if known, or the agent of record and the mortgagee or lien holder

may opt to accept notification electronically.
(Source: P.A. 100-475, eff. 1-1-18.)

(215 ILCS 5/143.21e new)

Sec. 143.21e. Flood coverage; notice.

(a) Each insurer that delivers, issues for delivery, or renews in this State a policy of fire and extended coverage that does not provide coverage for loss caused by flood shall provide to the insured a notice prescribed by the Director that explains clearly, conspicuously, and in plain language:

(1) the policy does not provide coverage for loss caused by flood;

(2) whether coverage for loss caused by flood is available to the applicant through the company; and

(3) the availability of coverage for loss caused by flood through the National Flood Insurance Program, whether the company can write such coverage, and how to obtain coverage through the National Flood Insurance Program.

(b) At the time of policy issuance, the company must obtain a written signature from the insured affirming the flood coverage options were presented to the applicant in plain language and that the applicant is declining coverage for loss caused by flood, if available through the company.

(215 ILCS 5/Art. XLVIII heading new)

ARTICLE XLVIII. CLIMATE RISK DISCLOSURE

(215 ILCS 5/1801 new)

Sec. 1801. Short title. This Article may be referred to as the Climate Risk Disclosure Law.

(215 ILCS 5/1805 new)

Sec. 1805. Purpose. The purpose of this Article is to enhance transparency about how insurers manage climate-related risks and to clarify the Department's authority to require companies to participate in the National Association of Insurance Commissioners' Climate Risk Disclosure Survey.

(215 ILCS 5/1810 new)

Sec. 1810. Applicability. This Article applies to every company licensed in Illinois under Classes 1, 2, or 3 of Section 4 of this Code and every dental service plan corporation, health maintenance organization, or limited health service organization licensed in Illinois when such company, corporation, or organization writes $100,000,000 or more annually in direct premiums nationwide. This threshold may be altered by rule.

(215 ILCS 5/1815 new)

Sec. 1815. Climate disclosure survey participation. All companies, corporations, and organizations subject to this

Article shall, upon direction from the Department, participate in the National Association of Insurance Commissioners' Climate Risk Disclosure Survey, or any successor process coordinated through the National Association of Insurance Commissioners.

Section 99. Effective date. This Act takes effect upon becoming law, except that Section 143.21e of the Illinois Insurance Code and the changes made to Sections 143.16 and 143.17 of the Illinois Insurance Code take effect January 1, 2027.

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Statutes amended in order of appearance

215 ILCS 130/4003 from Ch. 73, par. 1504-3