

To: All Companies and other Entities Licensed to Transact Insurance Business in the State of Illinois

From: Jennifer Hammer, Director

Date: December 4, 2018

Re: Company Bulletin 2018-12

Suspension of Cancellation, Non-renewal and Premium Payments

Governor Bruce Rauner has declared Christian county a state disaster area after significant storms impacted the county. Insurance consumers may experience disruption of mail delivery and displacement from their residences, businesses, and other properties due to the storms.

To help provide safeguards and ensure Illinois consumers are not adversely affected by this disaster and do not suffer unnecessary hardship, all entities licensed or authorized to transact insurance business in this state are hereby requested to implement the safeguards listed below for all lines of business. These safeguards address problems consumers may face due to circumstances beyond their control. We hope these measures provide some peace of mind during the recovery process and help ensure that disaster victims do not lose important insurance coverage when they need it most.

Effective immediately, all insurers are requested to implement the following guidelines to govern treatment of all consumers affected by this disaster ("affected policyholders"), residing in or who have property located in or around counties that have been declared disaster areas by Governor Bruce Rauner. Insurers need not file policy or rating manual changes to comply with any of the following directives.

- *Moratorium on cancellations and nonrenewals.* Insurers shall withdraw any cancellation or nonrenewal notice issued on or after November 23, 2018, on any in-force policy issued to an affected policyholder and/or property. In addition, insurers shall not issue any new cancellation or nonrenewal notices to affected policyholders and/or property until January 23, 2019, or a later time if deemed reasonable given an individual consumer's circumstance.
- *Other insurance-related time-period extensions.* Insurers are directed to grant to affected policyholders an extension of any and all policy provisions or other requirements that impose a time limit for an insured or claimant to perform any act, including the submission of a claim or proof of loss, reporting of information, submission of bills, or payment of funds. Such extension shall be for a minimum of 60 days from the last date allowed or required under the terms of the contract or allowed or required by the insurer, or longer if deemed reasonable given an individual consumer's circumstance.
- *Time-period extension for repairs.* In the event repairs on affected property cannot be completed within the time period required under any policy, or within the 90-day time period for repairs prior to termination due to condition of the property [215 ILCS 5/143.27], insurers shall provide consumers with an extension of not less than 60 days to make such repairs.
- *Cancellation or nonrenewal respecting affected property.* Although otherwise allowed under Illinois law, insurers are directed to refrain from canceling or nomenewing insurance policies respecting affected property due to "increase in the risk originally accepted" [215 ILCS 5/143.21 and 143.21.1] or due to the geographic location of the risk [215 ILCS 5/155.22].
- *Other exceptions to policy or contract requirements or rating or underwriting rules.* Insurers shall consider exceptions to policy or contract requirements, or to other rating or underwriting rules not otherwise listed herein, when such contractual requirements or rating or

underwriting rules are not met as a result of this disaster. Exceptions to policy or contract requirements or rating or underwriting rules include instances where an insured is displaced from his or her home and is unable to obtain non-emergency medical services from a network provider.

- *Insurer Websites.* Insurers are directed to post on their websites all actions taken to implement the requirements of this bulletin.
- *Availability of the Illinois Department of Insurance.* Insurers shall advise Illinois consumers of the availability of the Department for filing a complaint regarding any disaster-related dispute or issue. Consumers shall be advised they may call the Department's toll-free complaint hotline at 1-866-445-5364, or file a complaint online at: <https://mc.insurance.illinois.gov/messagecenter.nsf>

These measures are to be implemented immediately. It is my expectation that where insurers are guided by a "reasonableness" standard, they will err on the side of the consumer. It is also my sincere hope that all insurers in this state will assist consumers during this time of need.

Any insurer that is unable or unwilling to comply with these directives must inform the Department in writing of the reason(s) for its inability or unwillingness to comply no later than December 19, 2018. Any such written notice of non-compliance shall be sent by overnight courier to:

Robert Rapp, FLMI

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