



Illinois Department of Insurance

JB PRITZKER
Governor

DANA POPISH SEVERINGHAUS
Director

TO: All Licensed Property and Casualty Insurance Companies Writing Fire and Extended Coverage Insurance

FROM: Dana Popish Severinghaus, Director *dps*

DATE: June 6, 2022

RE: Company Bulletin #2022-10 – Policy Cancellations due to Conditions of the Property

The purpose of this Bulletin is to remind carriers of a requirement under the Illinois Insurance Code specifically for homeowners coverage as outlined under Section 143.27:

No insurance company may give to any named insured any notice of cancellation or nonrenewal of a policy of fire and extended coverage insurance, as defined in subsection (b) of Section 143.13, covering property which is capable of being rehabilitated, without allowing the named insured a reasonable period of time in which to repair defects in the insured property or relevant portion thereof, to an extent reasonably sufficient to facilitate continued coverage thereon. The time reasonably allowable therefor (which in no event shall exceed ninety days) and the degree of sufficiency of such rehabilitative efforts which insurance companies shall accept, may be determined by a certificate from a licensed contractor or architect and such rehabilitative efforts shall be in compliance with local municipal building codes. The notice of need for repair shall be from the insurance company, which may be sent to the insured at any time during the policy term, and which notice shall commence the time period established under this Section. 215 ILCS 5/143.27

Through a review of consumer complaints, the Department has noticed a lack of compliance with this statutory requirement -- particularly with policy cancellations that are issued less than sixty (60) days from the policy's effective date. Consumers must be afforded up to ninety (90) days to repair property prior to cancellation regardless of how long the policy has been in effect.

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