

If Your Automobile Insurance Policy Is Nonrenewed

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[Disponible en Español](#)

Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

If your automobile insurance company terminates your policy without your permission, your company has certain duties and you have certain rights. A company may terminate a policy without your permission in three ways:

1. **rescission** — when the company voids your policy back to the beginning. There is no coverage at all and the company will return the money you paid;
2. **cancellation** — when the company terminates your policy before the expiration date; and
3. **nonrenewal** — when the company terminates your policy at the expiration date.

A company's duties and your rights differ depending on whether your policy is rescinded, canceled or nonrenewed. Furthermore, your rights and your insurer's responsibilities depend upon the nature of the policy, as well as the length for which the policy has been in effect. This fact sheet explains what happens when your private auto insurance policy is being nonrenewed at its expiration date.

Is My Policy a Private Automobile Policy?

A private policy of automobile insurance is one that insures at least one natural person and may also insure one or more related individuals that are residents of the same household. These policies apply to private passenger vehicles, station wagons, or any other 4-wheeled motor vehicle with a load capacity of less than 1500 pounds which is not used in any occupation or profession. If your policy is for a commercial institution the following information may not be applicable.

Why Can My Insurer Nonrenew My Policy?

A company may nonrenew your automobile policy for different reasons depending upon the duration that your policy has been in force. If your policy has been continuously active less than 5 years, please see [Nonrenewal of Private Automobile Insurance Policy Active for Less Than 5 Years](#). If your policy has been continuously active for 5 or more years, please see the appropriate section below labeled [Nonrenewal of Private Automobile Insurance Policy Active for 5 or More Years](#).

Nonrenewal of Private Automobile Insurance Policy Active for Less Than 5 Years

Reason for Nonrenewal

A company may elect to nonrenew your automobile policy for any reason except your age, gender, race, color, creed, ancestry, occupation, marital status, employer of the insured, or physical handicap (as defined in the law).

A company is prohibited from nonrenewing your automobile policy based **solely** on credit report information. If credit information from your credit report is used to nonrenew your insurance policy, the insurer must provide you with the name of the national credit bureau that supplied the information so that you can get a free copy of your credit report. For more information about credit scoring, see our fact sheet entitled [Understanding How Insurers Use Credit Information](#).

Effective January 1, 2003, an insurer is prohibited from nonrenewing your automobile policy solely on the basis that one or more claims have been made against any policy during the preceding 60 months for a loss that is the result of a hate crime committed against the person or property insured if the insured provides evidence to the insurer that the act causing the loss is identified as a hate crime on a police report.

Notice

The company must send you a written notice explaining why it is nonrenewing your policy. The notice must clearly articulate the specific reason(s) for nonrenewal. The company may not simply state “fraud” or “misrepresentation,” but rather provide factual basis for such reason(s). The notice must also explain two important items:

- You have the right to appeal the nonrenewal as explained below under [Hearing Rights](#).
- You may be eligible to buy insurance from the **Illinois Automobile Insurance Plan** if you cannot find coverage elsewhere.

Note: If your insurer merges or restructures with another company, or if your insurer reclassifies your policy (possibly due to an excess of claims), the company must mail you a notice about the change 60 days prior to a change in your policy.

Mailing Time

The company must mail a nonrenewal notice to you at your last known mailing address, so it is important for you to notify your insurance agent or company if you move. The company must mail your nonrenewal notice:

- **At least** 30 days before the nonrenewal date if the policy has been in force less than 5 years

The company must keep proof that it mailed your notice, but it does not have to show proof that you received it.

Hearing Rights

If you believe your company failed to follow the required steps when nonrenewing your policy, you may appeal the nonrenewal to the Director of Insurance. To do so, you must mail or deliver your **written** request for a hearing to the Department of Insurance at least **20 days before the nonrenewal date**, explaining **in detail** why you believe the company has improperly nonrenewed your policy.

If your hearing is granted, we will send you written notice about the time and date of the hearing.

For More Information

Call our Consumer Services Section at (312) 814-2420 or our Consumer Assistance Hotline toll free at (866) 445-5364 or visit us on our website at <http://insurance.illinois.gov/>

Nonrenewal of Private Automobile Insurance Policy Active for 5 or More Years

Reason for Nonrenewal

A company may elect to not renew your automobile policy for a limited set of reasons if it provides **30 days written notice**, or for nearly any reason if it provides you with **60 days written notice** (the limited reasons for 30 days notice are available [below](#)). In either case, your insurer may not decide not to renew your policy for reasons of age, gender, race, color, creed, ancestry, occupation, marital status, employer of the insured, or physical handicap (as defined in the law).

Furthermore, a company is prohibited from nonrenewing your automobile policy based **solely** on credit report information. If credit information from your credit report is used to nonrenew your insurance policy, the insurer must provide you with the name of the national credit bureau that supplied the information so that you can get a free copy of your credit report. For more information about credit scoring, see our fact sheet entitled [Understanding How Insurers Use Credit Information](#).

Effective January 1, 2003, an insurer is prohibited from nonrenewing your automobile policy solely on the basis that one or more claims have been made against any policy during the preceding 60 months for a loss that is the result of a hate crime committed against the person or property insured if the insured provides evidence to the insurer that the act causing the loss is identified as a hate crime on a police report.

30 days written notice

When the company has mailed written notice of nonrenewal of a policy that has been in effect 5 years or more only 30 days before the nonrenewal date, an insurer may only decide to nonrenew your policy for the following reasons:

1. The insured initially obtained the policy through giving misleading or incorrect information to the insurer.
2. Anyone covered under the policy violated any of the terms and conditions of the policy.
3. The named insured failed to disclose fully his motor vehicle accidents and moving traffic violations for the preceding 36 months, if the application requested that information.
4. Anyone covered under the policy made a false or fraudulent claim .
5. Anyone covered under the policy knowingly helped another to make a false or fraudulent claim.
6. Anyone covered under the policy has within the 12 months prior to the notice of non-renewal had his/her driver's license suspended or revoked.
7. Anyone covered under the policy has or develops epilepsy and does not produce a certificate from a physician testifying to his/her ability to drive safely.
8. Anyone covered under the policy has or begins to experience heart attacks and does not produce a certificate from a physician testifying to his/her ability to drive safely.
9. Anyone covered under the policy has an accident record which is such that his/her driving might endanger others.
10. Anyone covered under the policy has a criminal conviction record which is such that his/her driving might endanger others.
11. Anyone covered under the policy has a traffic conviction record which is such that his/her driving might endanger others.
12. Anyone covered under the policy has any physical condition which is such that his/her driving might endanger others.
13. Anyone covered under the policy has any mental condition which is such that his/her driving might endanger others.
14. Anyone covered under the policy has, within the 36 months prior to the notice of non-renewal, been addicted to the use of narcotics or other drugs.
15. Anyone covered under the policy has, within the 36 months prior to the notice of non-renewal, been convicted of:
 1. Any felony.
 2. Criminal negligence resulting in death.
 3. Homicide arising out of the operation of a motor vehicle.
 4. Assault arising out of the operation of a motor vehicle.
 5. Operating a motor vehicle while in an intoxicated condition.
 6. Operating a motor vehicle while under the influence of drugs.
 7. Being intoxicated while in or about an automobile.
 8. Being intoxicated while having custody of an automobile.
 9. Leaving the scene of an accident without stopping to report.

10. Theft or unlawful taking of a motor vehicle.
 11. Making false statements in an application for an operator's license.
 12. Making false statements in an application for a chauffeur's license.
16. Anyone covered under the policy has, within the 36 months prior to the notice of non-renewal, forfeited bail for:
1. Any felony.
 2. Criminal negligence resulting in death.
 3. Homicide arising out of the operation of a motor vehicle.
 4. Assault arising out of the operation of a motor vehicle.
 5. Operating a motor vehicle while in an intoxicated condition.
 6. Operating a motor vehicle while under the influence of drugs.
 7. Being intoxicated while in or about an automobile.
 8. Being intoxicated while having custody of an automobile.
 9. Leaving the scene of an accident without stopping to report.
 10. Theft or unlawful taking of a motor vehicle.
 11. Making false statements in an application for an operator's license.
 12. Making false statements in an application for a chauffeur's license.
17. Anyone covered under the policy has, within the 12 months immediately preceding the notice of non-renewal, been convicted of 3 or more speeding violations.
18. Anyone covered under the policy has, within the 12 months immediately preceding the notice of non-renewal, been convicted of 3 or more misdemeanor motor vehicle violations of any state, whether or not the violations were repetitions of the same offense or different offenses.
19. Anyone covered under the policy has, within the 12 months immediately preceding the notice of non-renewal, forfeited bail for 3 or more speeding violations.
20. Anyone covered under the policy has, within the 12 months immediately preceding the notice of non-renewal, forfeited bail for 3 or more misdemeanor motor vehicle violations of any state, whether or not the violations were repetitions of the same offense or different offenses.
21. The insured automobile is mechanically defective and driving it might endanger others.
22. The insured automobile is used in carrying passengers for hire or compensation (the use of an automobile for a car pool shall not be considered use of an automobile for hire or compensation).
23. The insured automobile is used in the business of transportation of flammables or explosives.
24. The insured automobile is an authorized emergency vehicle.
25. The insured automobile has changed in shape or condition during the policy period so as to substantially increase the risk of insuring it.
26. The insured automobile is subject to an inspection law and it has not been inspected.
27. The insured automobile is subject to an inspection law and it has not passed inspections.

For all other reasons, your company must mail you written notice 60 days in advance of nonrenewal.

Notice

The company must send you a written notice explaining why it is nonrenewing your policy. The notice must clearly articulate the specific reason(s) for nonrenewal. The company may not simply state “fraud” or “misrepresentation,” but rather provide factual basis for such reason(s). The notice must also explain two important items:

1. You have the right to appeal the nonrenewal as explained below under [Hearing Rights](#).
2. You may be eligible to buy insurance from the **Illinois Automobile Insurance Plan** if you cannot find coverage elsewhere.

Note: If your insurer merges or restructures with another company, or if your insurer reclassifies your policy (possibly due to an excess of claims), the company must mail you a notice about the change 60 days prior to a change in your policy.

Mailing Time

The company must mail a nonrenewal notice to you at your last known mailing address, so it is important for you to notify your insurance agent or company if you move. The company must mail your nonrenewal notice:

- At least 30 days before the nonrenewal date only if the reason for nonrenewal is one of the limited reasons [above](#); or
- For almost any other reason, at least 60 days before the nonrenewal date.

The company must keep proof that it mailed your notice, but it does not have to show proof that you received it.

Hearing Rights

If you believe your company failed to follow the required steps when nonrenewing your policy, you may appeal the nonrenewal to the Director of Insurance. To do so, you must mail or deliver your **written** request for a hearing to the Department of Insurance at least **20 days before the nonrenewal date**, explaining **in detail** why you believe the company has improperly nonrenewed your policy.

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