Illinois Department of Insurance

JB PRITZKER
Governor

ANN GILLESPIE
Director

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

FROM: Ann Gillespie, Director AG

DATE: October 16, 2025

RE: Company Bulletin 2025-17 – Federal Government Shutdown – Grace Period for Federal Employees

---

A lapse in federal appropriations (“federal shutdown”) occurred on October 1, 2025, impacting more than 153,000 Illinois consumers who are employees of the federal government. These consumers may be subject to uncompensated furlough or may be required to continue working without compensation. These consumers may experience financial hardship while on uncompensated status during the federal shutdown.

Given the ongoing federal shutdown, the Illinois Department of Insurance (“Department”) has determined that certain safeguards are necessary for federal employees to ensure Illinois insurance consumer rights are protected and that Illinois consumers do not suffer unnecessary hardship during these trying times. The Department hereby requests that insurers writing fire and extended coverage insurance and/or automobile insurance policies (“insurers”) as defined in 215 ILCS 5/143.13 implement various safeguards, including those set forth herein, to address difficulties consumers may face through circumstances beyond their control. These measures provide some peace of mind and ensure consumers do not lose important insurance coverage during this difficult time.

The Department hereby requests that all insurers immediately consider implementing the following protective measures for policyholders who are federal employees. Insurers need not file policy or rating manual changes to implement these measures.

1. *Moratorium on cancellations.* Insurers should seek to postpone or withdraw any previous notice of cancellation or nonrenewal in which the cancellation or nonrenewal occurs on or after October 1, 2025, on any in-force policy due to non-payment of premium. Insurers are asked to continue coverage in cases of unpaid premium for at least 30 days or through the duration of the federal shutdown, whichever is longer. If following the end of the federal shutdown an affected consumer indicates to an insurer that they have not yet received their guaranteed compensation

for the period of the federal shutdown, the Department requests that insurers continue coverage, even in cases of unpaid premium, for at least an additional 30 days.

2. *Time-period extension for repairs.* If a consumer indicates to an insurer that repairs cannot be completed within the time required under any policy, or within the 90-day period for repairs before termination due to condition of the property (215 ILCS 5/143.27), the Department requests that insurers provide consumers with an extension of at least 30 days to make such repairs, or such time as is necessary.

If you have any questions or concerns regarding this bulletin, please contact DOI.InfoDesk@illinois.gov.