ILLINOIS DEFENSE COUNSEL
IDC QUARTERLY

Property Insurance Law

James P. DuChateau and **Joseph A. Fay**
HeplerBroom LLC, Chicago

Conduct Trumps Contractual Limitations Contained Within UIM Provision

The Court in *Monroy-Perez v. Sentry Select Insurance Co.*, 2025 IL App (1st) 241711, provided key guidance on central issues interpreting a underinsured motorist (UIM) provision and addressed a carrier's conduct upon receiving notice of a UIM and/or uninsured motorist (UM) claim. In doing so, the Court ultimately found that: (1) UIM Arbitration is only triggered when the policyholder and carrier do not agree on the amount of loss; (2) in order for there to be a disagreement, the carrier must have enough information to form an opinion on the amount of damages; and (3) a carrier can be estopped from relying on the policy's shortened statute of limitations provision when an insured requests a copy of the policy within the limitation period and the carrier does not provide the policy.

Background

Plaintiff, Gonzalo Monroy-Perez, was the passenger of a vehicle owned by his employer and operated by a coworker when a vehicle driven by Gregory Vazquez struck the front passenger side of Plaintiff's vehicle on September 5, 2019. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 3. Defendant Sentry Select Insurance Company issued an automobile insurance policy to Plaintiff's employer. *Id.* On January 8, 2020, Plaintiff sent correspondence to Sentry Select Insurance Company establishing official Notice for an UIM/UM Claim, demanding a complete certified copy of the policy. *Id.* ¶ 6. Sentry Select Insurance Company never responded to Plaintiff's letter, and, instead, sent requests to Plaintiff for updates on Plaintiff's medical treatment, specials, and demanding proof of Plaintiff's damages. *Id.* ¶ 7.

On July 2, 2021, Plaintiff sought Sentry Select Insurance Company's approval to settle with vehicle operator Gregory Vazquez for the $100,000 limits of the policy, and Sentry Select Insurance Company authorized the same on July 16, 2021. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 8. Four days later, Plaintiff sent a demand letter to Sentry Select Insurance Company enclosing over $547,518.74 in damages; $500,000 of which were noneconomic damages and only $22,666 were in medical expenses. *Id.* After a series of exchanges, concerning the itemization of claimed damages, Plaintiff then sent correspondence to Sentry Select Insurance Company stating "It does not seem as though we are able to come to a resolution. Therefore, I am requesting we continue with the arbitration process…" *Id.* ¶ 10. In the same correspondence, Plaintiff again requested a certified copy of the policy. *Id.* Sentry Select Insurance Company finally sent the certified policy to Plaintiff on January 25, 2023. *Id.* ¶ 11. The pertinent portion of the UIM provision contained within the policy states:

> a. No one may bring a legal action against [Sentry] under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.

Statements or expression of opinions in this publication are those of the authors and not necessarily those of the association. *IDC Quarterly*, Volume 36, Number 3. © 2026. Illinois Defense Counsel. All Rights Reserved. Reproduction in whole or in part without permission is prohibited.

b. Any legal action against [Sentry] under this Coverage Form must be brought within two years after the date of the 'accident.' However, this Paragraph 3.b. does not apply if, within two years after the date of the 'accident':

(1) Arbitration proceedings have commenced in accordance with the provisions of this Coverage Form[.]

Id. Paragraph 5 governs arbitration and states in relevant part that "[i]f [Sentry] and an 'insured' . . . do not agree as to the amount of damages that are recoverable by that 'insured,' then the matter may be arbitrated . . . Either party may make a written demand for arbitration." *Id.*

A few weeks later, on February 6, 2023, Plaintiff sent correspondence titled "formally demand[ing]" arbitration, and Sentry Select Insurance Company did not respond. *Id.* ¶ 12. Plaintiff finally filed suit on March 9, 2023, seeking underinsured motorist coverage in excess of $100,000. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 14. Sentry Select Insurance Company then filed a motion to dismiss pursuant to Section 2-615(a)(5) based on the policy's two-year limitations period. *Id.* ¶ 15. As applied, Plaintiff failed to comply with the two-year limitation by filing his complaint nearly four years after the subject September 5, 2019 occurrence. *Id.* ¶ 15.

Dismissal of Plaintiff's Complaint

The central issue at the hearing on Sentry Select Insurance Company's motion to dismiss was whether Plaintiff's January 8, 2020, arbitration demand tolled the two-year limitation period contained within the policy where the arbitration provision of the policy requires a disagreement on damages for UIM arbitration to occur. *See id.* ¶¶ 16-17. In deciding on this issue, the Court granted Sentry Select Insurance Company's motion to dismiss, holding that Plaintiff's January 8, 2020 arbitration demand was not made according to the terms of the policy because no disagreement as to damages had arisen until after the disagreement on December 15, 2022; three years after the subject occurrence. *Id.* ¶ 18.

In response, Plaintiff filed a motion to reconsider, arguing: (1) the policy's arbitration provision did not require the parties to actively disagree about damages for arbitration to be available; rather, arbitration was available so long as the parties had not already agreed as to the amount of damages; and (2) the arbitration demand of January 8, 2020, complied with the policy as best it could because Plaintiff did not have a copy of the policy at that time. *Id.* ¶ 19.

Plaintiff also raised two new legal theories in his motion to reconsider. The first being that Select Insurance Company was equitably estopped from asserting the limitations period because Select Insurance Company: (1) withheld the policy from Plaintiff for more than three years despite Plaintiff's requests for it; (2) never informed Plaintiff that the January 8, 2020, arbitration request did not comply with the policy; and (3) never told Plaintiff that it did not agree with the damages Plaintiff claimed in his demand letter. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 20. The second new theory was that section 143.1 of the Illinois Insurance Code tolled the limitations period because Plaintiff provided Sentry with proof of loss on July 20, 2021. *Id.*

Section 143.1 of the Illinois Insurance Code states:

Sec. 143.1. Periods of limitation tolled. Whenever any policy or contract for insurance, except life, accident and health, fidelity and surety, and ocean marine policies, contains a provision limiting the period within which the insured may bring suit, the running of such period is tolled from the date proof of loss is filed, in whatever form is required by the policy, until the date the claim is denied in whole or in part.

215 ILCS 5/143.1.

Statements or expression of opinions in this publication are those of the authors and not necessarily those of the association. *IDC Quarterly*, Volume 36, Number 3. © 2026. Illinois Defense Counsel. All Rights Reserved. Reproduction in whole or in part without permission is prohibited.

The lower court denied Plaintiff's motion to reconsider, and Plaintiff appealed shortly thereafter. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶¶ 22-23.

The Appeal

On appeal, the Court focused on the limitations period and the appraisal provision contained within the policy and applied the equitable doctrine of estoppel in its analysis. The Court found that Plaintiff's January 8, 2020, arbitration request was not in accordance with the policy since the January 8, 2020, arbitration request contained no opinion at all as it relates to the issue of damages as required under the policy. *Id.* ¶ 39. However, the doctrine of estoppel came to light because Sentry Select Insurance Company withheld the policy from Plaintiff after Plaintiff had timely requested the same. Sentry Select Insurance Company's refusal to produce the policy back in January 2020 resulted in its demise on appeal. *Id.* ¶ 44.

Plaintiff is not the policyholder. His employer was. Plaintiff, therefore, did not have access to the policy by the time he had timely requested the same from Sentry Select Insurance Company on January 8, 2020. *Id*. The Court noted that if Sentry Select Insurance Company had provided Plaintiff with the policy when Plaintiff had sent his timely request, then Plaintiff would have been well aware he had to file suit or request arbitration based on the parties' nonagreement on damages. *Id.* However, Sentry Select Insurance Company did not provide Plaintiff with the policy until three years later. *Id.* ¶ 45. Notably, Plaintiff's January 8, 2020, letter also requested of Sentry Select Insurance Company to, "advise . . . immediately if this Notice does not comply with Sentry's notice requirements for this type of claim." Sentry Select Insurance Company ignored this request but continued to communicate with Plaintiff about his claim for years. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 45.

The Court showed great dissatisfaction with Sentry Select Insurance Company's silence following the January 8, 2020, notice by Plaintiff. The Court noted that Sentry Select Insurance Company's conduct effectively concealed the limitations period and prerequisites for requesting arbitration under the policy. *Id.* ¶ 46. Similarly, and since Plaintiff was a stranger to the policy that Sentry Select Insurance Company withheld for three years, Plaintiff could not have known that his January 8, 2020, arbitration request was ineffective under the policy. *Id.* Based on what Plaintiff knew at the time, his January 8, 2020, arbitration request was valid, and the Court found both that Plaintiff reasonably relied on Sentry Select Insurance Company's conduct following this demand, and that Sentry Select Insurance Company's prejudiced Plaintiff by withholding the policy and moving for dismissal on the basis of the policy's suit limitation period. *Id.* ¶¶ 46-49.

In the backdrop, Sentry Select Insurance Company relied upon section 143.33 of the Illinois Insurance Code, which allows an insurer to post its policy online so long as the policy is "easily accessible to the insured." *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 53. Sentry Select Insurance Company argued that Plaintiff could have obtained the policy via the online portal and therefore fulfilled its obligation to disclose the policy to Plaintiff. *Id.* The Court disagreed with Sentry Select Insurance Company and found that Section 1433.33(e) states, "[n]othing in this Section affects the timing or content of any disclosure or other document required to be provided or made available to any insured under any statute, rule, regulation, or rule of law." *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 53. To make matters worse, Plaintiff could not access the very portal due to Plaintiff's employer, and only Plaintiff's employer, having access to the same. *Id.*

In coming to this conclusion, the Court relied upon *Salloum Foods & Liquor, Inc. v. Parliament Insurance Co.*, 69 Ill. App. 3d 422 (1st Dist. 1979), which held:

Statements or expression of opinions in this publication are those of the authors and not necessarily those of the association. *IDC Quarterly*, Volume 36, Number 3. © 2026. Illinois Defense Counsel. All Rights Reserved. Reproduction in whole or in part without permission is prohibited.

> As a simple matter of fairness and logic, and in keeping with the modern view that an insurer must deal fairly and in good faith with its insureds, we conclude that Salloum Foods had a right to a copy of its entire insurance policy. [The insurer's] unjustified and unexplained refusal to provide Salloum Foods with a copy of the policy, occasioned Salloum Foods' delay in filing suit. Consequently, we conclude that [the insurer] is equitably estopped from raising the limitation provision as a defense to Salloum Foods' action on the policy.

Monroy-Perez, 2025 IL App (1st) 241711, ¶ 50 (quoting *Salloum Foods & Liquor*, 69 Ill. App. 3d at 433).

In applying the holding of *Salloum Foods & Liquor*, the Court found that Sentry Select Insurance Company had no reasonable basis for ignoring plaintiff's January 8, 2020, request for the policy; equitably estopping Sentry Select Insurance Company from raising the two-year limitation period contained within the policy. In doing so, the Court remanded the matter for further proceedings and reversed the dismissal of Plaintiff's complaint. *Monroy-Perez*, 2025 IL App (1st) 241711, ¶ 51.

Takeaways

While the court provided clarification and reaffirmed that a UIM arbitration is only triggered when the policyholder and carrier do not agree on amount of loss, an insurer's conduct can trigger the equitable doctrine of estoppel rendering reliance on policy defenses, exclusions, and conditions as unenforceable. To that end, a carrier's failure to provide an insured with a complete copy of the policy on request, invites an estoppel argument as to subsequently asserted policy provisions and defenses, including the two-year limitation period found within a policy. In the UIM/UM context, the carrier should remain willing and able to produce a certified copy of the policy once the same is demanded and requested by an individual who demanded UIM/UM arbitration, seeking benefits under the policy.

About the Authors

James P. DuChateau is a partner in the Chicago office of *HeplerBroom LLC*, where he concentrates his practice in the areas of insurance coverage and commercial law in State and Federal Courts throughout the Midwest and Mountain West, including the investigation and litigation of first-party property claims, commercial general liability defense, prosecution of declaratory matters for non-coverage under personal and commercial policies and the defense of bad faith and extra contractual liability matters. Mr. DuChateau counsels both property and casualty carriers during the claim process, and also regularly represents Illinois financial institution clients in both UCC and REO matters, as well as trade secret and restrictive covenant litigation.

Joseph A. Fay concentrates his practice in the areas of insurance coverage, fraud, bad faith, commercial and general liability, as well as catastrophic injury. Early in his practice, Mr. Fay played an integral role in all phases of litigation, from pre-suit resolution to trial and appeals. He embraces a holistic approach to the law, which has resulted in favorable outcomes for his clients at summary judgment and trial. During his off time, he coaches trial advocacy at his alma mater, where he encourages students to formulate a persuasive case through humility, determination, and attention to detail.

Statements or expression of opinions in this publication are those of the authors and not necessarily those of the association. *IDC Quarterly*, Volume 36, Number 3. © 2026. Illinois Defense Counsel. All Rights Reserved. Reproduction in whole or in part without permission is prohibited.

About the IDC

The Illinois Defense Counsel (IDC) is the premier association of attorneys in Illinois who devote a substantial portion their practice to the representation of business, corporate, insurance, professional and other individual defendants in civil litigation. For more information on the IDC, visit us on the web at www.IDC.law or contact us at PO Box 588, Rochester, IL 62563-0588, 217-498-2649, 800-232-0169, admin@IDC.law.

Statements or expression of opinions in this publication are those of the authors and not necessarily those of the association. *IDC Quarterly*, Volume 36, Number 3. © 2026. Illinois Defense Counsel. All Rights Reserved. Reproduction in whole or in part without permission is prohibited.