



Sen. William R. Haine

Filed: 3/2/2012

09700SB2877sam003

LRB097 16448 JWD 67097 a

1 AMENDMENT TO SENATE BILL 2877

2 AMENDMENT NO. _____. Amend Senate Bill 2877 as follows:

3 on page 1, by replacing line 8, with "131.21, 131.22, 131.23,
4 131.24, 131.26, 132.27, and 356z.12 and by adding Sections";
5 and

6 on page 1, line 9, by replacing "and 131.20c" with "131.20c,
7 131.29, and 131.30"; and

8 on page 3, by replacing lines 7 and 8 with the following:

9 "company action level as set forth in Article IIA of this Code
10 or would cause the company to be in hazardous financial
11 condition as set forth in Article XII 1/2 of this Code."; and

12 on page 10, line 16, by replacing "131.12a ~~131.12~~" with
13 "131.12"; and

1 on page 13, line 24, by replacing "(a) (Blank)." with "~~(a)~~";
2 and

3 on page 14, line 5, by replacing "(b) (Blank)." with "~~(b)~~"; and

4 on page 14, line 18, after "fairness", by inserting "of the
5 proposal"; and

6 on page 16, line 3, by replacing "it shall" with "the person
7 will"; and

8 on page 16, line 4, by replacing "131.20c" with "131.14b"; and

9 on page 16, line 6, by replacing "An" with "Beginning July 1,
10 2013, an"; and

11 on page 16, line 11, by replacing "insurer" with "company"; and

12 on page 17, line 20, by replacing "After the change of control"
13 with "after the ~~After~~ change of control,"; and

14 on page 18, line 1, by replacing "be to ~~not~~ substantially" with
15 "be ~~not~~ substantially to"; and

16 on page 18, line 2, by replacing "not" with "~~not~~"; and

1 on page 19, line 3, after "would", by inserting "not"; and

2 on page 19, line 16, by replacing "30 ~~60~~" with "60"; and

3 on page 19, line 22, by replacing "securityholders" with
4 "shareholders ~~securityholders~~"; and

5 on page 20, line 22, by replacing "insurers" with "companies";
6 and

7 on page 20, line 23, by replacing "hearing," with "hearing";
8 and

9 on page 22, line 2, by replacing "thereto" with "~~thereto~~"; and

10 on page 22, line 21, by replacing "insurers" with "companies
11 ~~insurers~~"; and

12 on page 23, line 8, by replacing "involved insurer" with
13 "involved company ~~insurer~~"; and

14 on page 23, line 8, by replacing "an insurer" with "a company
15 ~~an insurer~~"; and

16 on page 23, line 14, by replacing "an insurer" with "a company
17 ~~an insurer~~"; and

1 on page 24, line 1, by replacing "insurer's" with "company's
2 ~~insurer's~~"; and

3 on page 24, lines 20 and 24, by replacing "insurers" each time
4 it appears with "companies ~~insurers~~"; and

5 on page 25, line 4, by replacing "insurers" with "companies
6 ~~insurers~~"; and

7 on page 25, line 10, by replacing "an insurer" with "a company
8 ~~an insurer~~"; and

9 on page 25, line 11, by replacing "insurer" with "company
10 ~~insurer~~"; and

11 on page 25, line 14, by replacing "insurer's" with "company's
12 ~~insurer's~~"; and

13 on page 27, line 7, by replacing "insurer" with "company
14 ~~insurer~~"; and

15 on page 27, lines 13 and 17, by replacing "insurers" each time
16 it appears with "companies ~~insurers~~"; and

17 on page 27, line 19, by replacing "Insurer" each time it

1 appears with "Company ~~Insurer~~"; and

2 on page 28, line 1, by replacing "Insurer" each time it appears
3 with "Company ~~Insurer~~"; and

4 on page 28, lines 7 and 10, by replacing "insurers" each time
5 it appears with "companies ~~insurers~~"; and

6 on page 28, line 14, by replacing "insurer" with "company
7 ~~insurer~~"; and

8 on page 28, line 15, by replacing "Insurer" with "Company
9 ~~Insurer~~"; and

10 on page 28, lines 18 and 23, by replacing "insurers" each time
11 it appears with "companies ~~insurers~~"; and

12 on page 29, lines 2 and 3, by replacing "insurers" each time it
13 appears with "companies ~~insurers~~"; and

14 on page 29, line 5, by replacing "insurer's" with "company's
15 ~~insurer's~~"; and

16 on page 29, line 22, by replacing "insurers" with "companies
17 ~~insurers~~"; and

1 on page 31, lines 5 and 10, by replacing "insurer" each time it
2 appears with "company insurer"; and

3 on page 32, line 17, by replacing "insurer" with "company
4 insurer"; and

5 on page 35, line 12, by replacing "affiliate" with "controlling
6 affiliate"; and

7 on page 36, lines 4 and 5, by deleting "is responsible for
8 and"; and

9 on page 38, line 3, by replacing "5" with "15 5"; and

10 on page 38, line 18, by replacing "statement" with "statement,
11 any summary of changes to a registration statement, or any
12 Enterprise Risk Filing"; and

13 on page 42, line 11, by replacing "insurer" with "company
14 insurer"; and

15 on page 46, lines 5 and 6, by replacing "an insurer" with "a
16 company an insurer"; and

17 on page 46, lines 7 and 9, by replacing "insurer" each time it
18 appears with "company insurer"; and

1 on page 46, line 12, by replacing "reinsurance allocation" with
2 "all reinsurance allocation"; and

3 on page 46, line 14, by replacing "cost-sharing" with "all
4 cost-sharing"; and

5 on page 46, line 17, by replacing "insurer" with "company"; and

6 on page 46, line 21, by replacing "insurer's" with "company's";
7 and

8 on page 46, line 25, by replacing "(v);" with "(v)."; and

9 on page 47, lines 1 and 2, by replacing "insurer" each time it
10 appears with "company"; and

11 on page 47, line 3, by replacing "insurer's" with "company's";
12 and

13 on page 47, line 14, by replacing "insurer's" with "company's
14 ~~insurer's~~"; and

15 on page 47, line 24, by replacing "an insurer" with "a company
16 ~~an insurer~~"; and

1 on page 48, line 3, by replacing "insurer" with "company
2 ~~insurer~~"; and

3 on page 48, line 7, by replacing "insurer's" with "company's
4 ~~insurer's~~"; and

5 on page 49, lines 1, 10, and 12, by replacing "insurer" each
6 time it appears with "company ~~insurer~~"; and

7 on page 50, line 16, by replacing "insurers" with "companies
8 ~~insurers~~"; and

9 on page 50, lines 17, 18, 20, and 24, by replacing "insurer"
10 each time it appears with "company ~~insurer~~"; and

11 on page 51, lines 8, 9, and 11, by replacing "insurer" each
12 time it appears with "company ~~insurer~~"; and

13 on page 54, line 9; by replacing "insurer" with "company"; and

14 on page 54, line 13, by replacing "companies," with "companies
15 in accordance with Section 131.21 of this Code,"; and

16 on page 54, line 17, by replacing "agreements" with "agreements
17 in accordance with Section 131.22 of this Code"; and

1 on page 55, line 5, by replacing "insurer" with "company"; and

2 on page 60, lines 13 and 17, by replacing "an insurer" each
3 time it appears with "a company"; and

4 on page 60, line 20, by replacing "insurer" with "company"; and

5 on page 62, immediately below line 10, by inserting the
6 following:

7 "(215 ILCS 5/131.23) (from Ch. 73, par. 743.23)

8 Sec. 131.23. Injunctions; prohibitions against voting
9 securities; sequestration of voting securities. (1) Whenever
10 it appears to the Director that any company or any director,
11 officer, employee or agent thereof has committed or is about to
12 commit a violation of this Article or of any rule, regulation,
13 or order issued by the Director hereunder, the Director may
14 apply to the Circuit Court for the county in which the
15 principal office of the company is located or to the Circuit
16 Court for Sangamon County for an order enjoining the company or
17 the director, officer, employee or agent thereof from violating
18 or continuing to violate this Article or any rule, regulation
19 or order, and for any other equitable relief as the nature of
20 the case and the interests of the company's policyholders,
21 creditors or the public may require. In any proceeding, the
22 validity of the rule, regulation or order alleged to have been

1 violated may be determined by the Court.

2 (2) No security which is the subject of any agreement or
3 arrangement regarding acquisition, or which is acquired or to
4 be acquired, in contravention of this Article or of any rule,
5 regulation or order issued by the Director hereunder may be
6 voted at any shareholder's ~~securityholders'~~ meeting, or may be
7 counted for quorum purposes, and any action of shareholder's
8 ~~securityholders'~~ requiring the affirmative vote of a
9 percentage of securities may be taken as though such securities
10 were not issued and outstanding; but no action taken at any
11 such meeting may be invalidated by the voting of such
12 securities, unless the action would materially affect control
13 of the company or unless any court of this State has so
14 ordered. If the Director has reason to believe that any
15 security of the company has been or is about to be acquired in
16 contravention of this Article or of any rule, regulation or
17 order issued by the Director hereunder the company or the
18 Director may apply to the Circuit Court for Sangamon County or
19 to the Circuit Court for the county in which the company has
20 its principal place of business (a) to enjoin the further
21 pursuit or use of any offer, request, invitation, agreement or
22 acquisition made in contravention of Sections 131.4 through
23 131.12 or any rule, regulation, or order issued by the Director
24 thereunder; (b) to enjoin the voting of any security so
25 acquired; (c) to void any vote of such security already cast at
26 any meeting of shareholders ~~securityholders~~; and (d) for any

1 other equitable relief as the nature of the case and the
2 interests of the company's policyholders, creditors, or the
3 public may require.

4 (3) In any case where a person has acquired or is proposing
5 to acquire any voting securities in violation of this Article
6 or any rule, regulation or order issued by the Director
7 hereunder, the Circuit Court for Sangamon County or the Circuit
8 Court for the county in which the company has its principal
9 place of business may, on such notice as the court deems
10 appropriate, upon the application of the company or the
11 Director seize or sequester any voting securities of the
12 company owned directly or indirectly by such person, and issue
13 any orders with respect thereto as may be appropriate to
14 effectuate this Article. Notwithstanding any other provisions
15 of law, for the purposes of this Article, the situs of the
16 ownership of the securities of domestic companies is deemed to
17 be in this State.

18 (4) If the Director has reason to believe that any
19 policyholders' proxies have been or are about to be acquired in
20 contravention of this Article or of any rule, regulations or
21 order issued by the Director hereunder, the Director may apply
22 to the Circuit Court for Sangamon County or to the Circuit
23 Court for the county in which the company has its principal
24 place of business (a) to enjoin further pursuit or use of any
25 offer, request, invitation, agreement or acquisition made in
26 contravention of Section 131.4 through 131.12 and (b) for any

1 other equitable relief as the nature of the case and the
2 interests of the company's policyholders, creditors or the
3 public may require.

4 (Source: P.A. 84-805.)"; and

5 on page 64, line 19, by replacing "insurer" with "company"; and

6 on page 64, by replacing line 22 with the following:

7 "company under an order of supervision in accordance with
8 Article XII 1/2 of this Code."; and

9 on page 64, immediately below line 23, by inserting the
10 following:

11 "(215 ILCS 5/131.26) (from Ch. 73, par. 743.26)

12 Sec. 131.26. Revocation, suspension, or non-renewal of
13 company's license.

14 Whenever it appears to the Director that any person has
15 committed a violation of this Article which makes the continued
16 operation of a company contrary to the interests of
17 policyholders or the public, the Director may, after notice and
18 hearing suspend, revoke or refuse to renew the company's
19 license or authority to do business in this State for such a
20 period as the Director ~~he~~ finds is required for the protection
21 of policyholders or the public. Any such determination must be
22 accompanied by specific findings of fact and conclusions of

1 law.

2 (Source: P.A. 77-673.)"; and

3 on page 65, immediately below line 21, by inserting the
4 following:

5 "(215 ILCS 5/131.29 new)

6 Sec. 131.29. Rulemaking power. The Director may adopt such
7 administrative rules as are necessary to implement the
8 provisions of this Article.

9 (215 ILCS 5/131.30 new)

10 Sec. 131.30. Conflict with other laws. This Code supersedes
11 all laws and parts of laws of this State inconsistent with this
12 Code with respect to matters covered by this Code.

13 (215 ILCS 5/356z.12)

14 Sec. 356z.12. Dependent coverage.

15 (a) A group or individual policy of accident and health
16 insurance or managed care plan that provides coverage for
17 dependents and that is amended, delivered, issued, or renewed
18 after the effective date of this amendatory Act of the 95th
19 General Assembly shall not terminate coverage or deny the
20 election of coverage for an unmarried dependent by reason of
21 the dependent's age before the dependent's 26th birthday.

22 (b) A policy or plan subject to this Section shall, upon

1 amendment, delivery, issuance, or renewal, establish an
2 initial enrollment period of not less than 90 days during which
3 an insured may make a written election for coverage of an
4 unmarried person as a dependent under this Section. After the
5 initial enrollment period, enrollment by a dependent pursuant
6 to this Section shall be consistent with the enrollment terms
7 of the plan or policy.

8 (c) A policy or plan subject to this Section shall allow
9 for dependent coverage during the annual open enrollment date
10 or the annual renewal date if the dependent, as of the date on
11 which the insured elects dependent coverage under this
12 subsection, has:

13 (1) a period of continuous creditable coverage of 90
14 days or more; and

15 (2) not been without creditable coverage for more than
16 63 days.

17 An insured may elect coverage for a dependent who does not meet
18 the continuous creditable coverage requirements of this
19 subsection (c) and that dependent shall not be denied coverage
20 due to age.

21 For purposes of this subsection (c), "creditable coverage"
22 shall have the meaning provided under subsection (C)(1) of
23 Section 20 of the Illinois Health Insurance Portability and
24 Accountability Act.

25 (d) Military personnel. A group or individual policy of
26 accident and health insurance or managed care plan that

1 provides coverage for dependents and that is amended,
2 delivered, issued, or renewed after the effective date of this
3 amendatory Act of the 95th General Assembly shall not terminate
4 coverage or deny the election of coverage for an unmarried
5 dependent by reason of the dependent's age before the
6 dependent's 30th birthday if the dependent (i) is an Illinois
7 resident, (ii) served as a member of the active or reserve
8 components of any of the branches of the Armed Forces of the
9 United States, and (iii) has received a release or discharge
10 other than a dishonorable discharge. To be eligible for
11 coverage under this subsection (d), the eligible dependent
12 shall submit to the insurer a form approved by the Illinois
13 Department of Veterans' Affairs stating the date on which the
14 dependent was released from service.

15 (e) Calculation of the cost of coverage provided to an
16 unmarried dependent under this Section shall be identical.

17 (f) Nothing in this Section shall prohibit an employer from
18 requiring an employee to pay all or part of the cost of
19 coverage provided under this Section.

20 (g) No exclusions or limitations may be applied to coverage
21 elected pursuant to this Section that do not apply to all
22 dependents covered under the policy.

23 (h) A policy or plan subject to this Section shall not
24 condition eligibility for dependent coverage provided pursuant
25 to this Section on enrollment in any educational institution.

26 (i) Notice regarding coverage for a dependent as provided

1 pursuant to this Section shall be provided to an insured by the
2 insurer:

3 (1) upon application or enrollment;

4 (2) in the certificate of coverage or equivalent
5 document prepared for an insured and delivered on or about
6 the date on which the coverage commences; and

7 (3) (blank) ~~in a notice delivered to an insured on a~~
8 ~~semi-annual basis.~~

9 (Source: P.A. 95-958, eff. 6-1-09.); and

10 on page 66, by replacing line 4 with the following:

11 "1, 2013, except that Section 131.14b of the Illinois Insurance
12 Code takes effect July 1, 2013."