

AN ACT concerning insurance.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Department of Insurance Law of the Civil Administrative Code of Illinois is amended by adding Section 1405-35 as follows:

(20 ILCS 1405/1405-35 new)

Sec. 1405-35. The Department of Insurance.

(a) Executive Order No. 2004-6 is hereby superseded by this amendatory Act of the 96th General Assembly to the extent that Executive Order No. 2004-6 transfers the powers, duties, rights, and responsibilities of the Department of Insurance to the Division of Insurance within the Department of Financial and Professional Regulation.

(b) The Division of Insurance within the Department of Financial and Professional Regulation is hereby abolished and the Department of Insurance is created as an independent department. On July 1, 2009, all powers, duties, rights, and responsibilities of the Division of Insurance within the Department of Financial and Professional Regulation shall be transferred to the Department of Insurance.

(c) The personnel of the Division of Insurance within the Department of Financial and Professional Regulation shall be

transferred to the Department of Insurance. The status and rights of such employees under the Personnel Code shall not be affected by the transfer. The rights of the employees and the State of Illinois and its agencies under the Personnel Code and applicable collective bargaining agreements or under any pension, retirement, or annuity plan shall not be affected by this amendatory Act. To the extent that an employee performs duties for the Division of Insurance within the Department of Financial and Professional Regulation and the Department of Financial and Professional Regulation itself or any other division or agency within the Department of Financial and Professional Regulation, that employee shall be transferred at the Governor's discretion.

(d) All books, records, papers, documents, property (real and personal), contracts, causes of action, and pending business pertaining to the powers, duties, rights, and responsibilities transferred by this amendatory Act from the Division of Insurance within the Department of Financial and Professional Regulation to the Department of Insurance, including, but not limited to, material in electronic or magnetic format and necessary computer hardware and software, shall be transferred to the Department of Insurance.

(e) All unexpended appropriations and balances and other funds available for use by the Division of Insurance within the Department of Financial and Professional Regulation shall be transferred for use by the Department of Insurance pursuant to

the direction of the Governor. Unexpended balances so transferred shall be expended only for the purpose for which the appropriations were originally made.

(f) The powers, duties, rights, and responsibilities transferred from the Division of Insurance within the Department of Financial and Professional Regulation by this amendatory Act shall be vested in and shall be exercised by the Department of Insurance.

(g) Whenever reports or notices are now required to be made or given or papers or documents furnished or served by any person to or upon the Division of Insurance within the Department of Financial and Professional Regulation in connection with any of the powers, duties, rights, and responsibilities transferred by this amendatory Act, the same shall be made, given, furnished, or served in the same manner to or upon the Department of Insurance.

(h) This amendatory Act does not affect any act done, ratified, or canceled or any right occurring or established or any action or proceeding had or commenced in an administrative, civil, or criminal cause by the Division of Insurance within the Department of Financial and Professional Regulation before this amendatory Act takes effect; such actions or proceedings may be prosecuted and continued by the Department of Insurance.

(i) Any rules of the Division of Insurance within the Department of Financial and Professional Regulation, including any rules of its predecessor Department of Insurance, that

relate to its powers, duties, rights, and responsibilities and are in full force on the effective date of this amendatory Act shall become the rules of the recreated Department of Insurance. This amendatory Act does not affect the legality of any such rules in the Illinois Administrative Code.

Any proposed rules filed with the Secretary of State by the Division of Insurance within the Department of Financial and Professional Regulation that are pending in the rulemaking process on the effective date of this amendatory Act and pertain to the powers, duties, rights, and responsibilities transferred, shall be deemed to have been filed by the Department of Insurance. As soon as practicable hereafter, the Department of Insurance shall revise and clarify the rules transferred to it under this amendatory Act to reflect the reorganization of powers, duties, rights, and responsibilities affected by this amendatory Act, using the procedures for recodification of rules available under the Illinois Administrative Procedures Act, except that existing title, part, and section numbering for the affected rules may be retained. The Department of Insurance may propose and adopt under the Illinois Administrative Procedures Act such other rules of the Division of Insurance within the Department of Financial and Professional Regulation that will now be administered by the Department of Insurance.

To the extent that, prior to July 1, 2009, the Director of the Division of Insurance within the Department of Financial

and Professional Regulation had been empowered to prescribe rules or had other rulemaking authority jointly with the Secretary of the Department of Financial and Professional Regulation with regard to the powers, duties, rights, and responsibilities of the Division of Insurance within the Department of Financial and Professional Regulation, such duties shall be exercised from and after July 1, 2009 solely by the Director of the Department of Insurance.

Section 99. Effective date. This Act takes effect on July 1, 2009.