

AN ACT concerning insurance.

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

Section 5. The Illinois Insurance Code is amended by changing Sections 500-30 and 500-35 as follows:

(215 ILCS 5/500-30)

(Section scheduled to be repealed on January 1, 2017)

Sec. 500-30. Application for license.

(a) An individual applying for a resident insurance producer license must make application on a form specified by the Director and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the Director must find that the individual:

(1) is at least 18 years of age;

(2) has not committed any act that is a ground for denial, suspension, or revocation set forth in Section 500-70;

(3) has completed, if required by the Director, a pre-licensing course of study before the insurance exam for the lines of authority for which the individual has applied (an individual who successfully completes the Fire and

Casualty pre-licensing courses also meets the requirements for Personal Lines-Property and Casualty);

(4) has paid the fees set forth in Section 500-135; and

(5) has successfully passed the examinations for the lines of authority for which the person has applied.

(b) A pre-licensing course of study for each class of insurance for which an insurance producer license is requested must be established in accordance with rules prescribed by the Director and must consist of the following minimum hours:

Class of Insurance	Number of Hours
Life (Class 1 (a))	<u>20</u> 15.0
Accident and Health (Class 1(b) or 2(a))	<u>20</u> 15.0
Fire (Class 3)	<u>20</u> 15.0
Casualty (Class 2)	<u>20</u> 15.0
Personal Lines-Property Casualty	<u>20</u> 15.0
Motor Vehicle (Class 2(b) or 3(e))	<u>12.5</u> 7.5

7.5 hours of each pre-licensing course must be completed in a classroom setting, except Motor Vehicle, which would require 5 hours in a classroom setting.

(c) A business entity acting as an insurance producer must obtain an insurance producer license. Application must be made using the Uniform Business Entity Application. Before approving the application, the Director must find that:

(1) the business entity has paid the fees set forth in Section 500-135; and

(2) the business entity has designated a licensed producer responsible for the business entity's compliance with the insurance laws and rules of this State.

(d) The Director may require any documents reasonably necessary to verify the information contained in an application.

(Source: P.A. 92-386, eff. 1-1-02.)

(215 ILCS 5/500-35)

(Section scheduled to be repealed on January 1, 2017)

Sec. 500-35. License.

(a) Unless denied a license pursuant to Section 500-70, persons who have met the requirements of Sections 500-25 and 500-30 shall be issued a 2-year insurance producer license. An insurance producer may receive qualification for a license in one or more of the following lines of authority:

(1) Life: insurance coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income.

(2) Variable life and variable annuity products: insurance coverage provided under variable life insurance contracts and variable annuities.

(3) Accident and health or sickness: insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income.

(4) Property: insurance coverage for the direct or consequential loss or damage to property of every kind.

(5) Casualty: insurance coverage against legal liability, including that for death, injury, or disability or damage to real or personal property.

(6) Personal lines: property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.

(7) Any other line of insurance permitted under State laws or rules.

(b) An insurance producer license shall remain in effect unless revoked or suspended as long as the fee set forth in Section 500-135 is paid and education requirements for resident individual producers are met by the due date.

(1) Before each license renewal, an insurance producer must satisfactorily complete at least 24 ~~30~~ hours of course study in accordance with rules prescribed by the Director. Three of the 24 hours of course study must consist of classroom ethics instruction. The Director may not approve a course of study unless the course provides for classroom, seminar, or self-study instruction methods. A course given in a combination instruction method of classroom or seminar and self-study shall be deemed to be a self-study course unless the classroom or seminar certified hours meets or exceeds two-thirds of total hours certified for the course. The self-study material used in the combination course must

be directly related to and complement the classroom portion of the course in order to be considered for credit. An instruction method other than classroom or seminar shall be considered as self-study methodology. Self-study credit hours require the successful completion of an examination covering the self-study material. The examination may not be self-evaluated. However, if the self-study material is completed through the use of an approved computerized interactive format whereby the computer validates the successful completion of the self-study material, no additional examination is required. The self-study credit hours contained in a certified course shall be considered classroom hours when at least two-thirds of the hours are given as classroom or seminar instruction.

(2) An insurance producer license automatically terminates when an insurance producer fails to successfully meet the requirements of item (1) of subsection (b) of this Section. The producer must complete the course in advance of the renewal date to allow the education provider time to report the credit to the Department.

(c) A provider of a pre-licensing or continuing education course required by Section 500-30 and this Section must pay a registration fee and a course certification fee for each course being certified as provided by Section 500-135.

(d) An individual insurance producer who allows his or her

license to lapse may, within 12 months after the due date of the renewal fee, be issued a license without the necessity of passing a written examination. However, a penalty in the amount of double the unpaid renewal fee shall be required after the due date.

(e) A licensed insurance producer who is unable to comply with license renewal procedures due to military service may request a waiver of those procedures.

(f) The license must contain the licensee's name, address, and personal identification number, the date of issuance, the lines of authority, the expiration date, and any other information the Director deems necessary.

(g) Licensees must inform the Director by any means acceptable to the Director of a change of address within 30 days after the change.

(h) In order to assist in the performance of the Director's duties, the Director may contract with a non-governmental entity including the National Association of Insurance Commissioners (NAIC), or any affiliates or subsidiaries that the NAIC oversees, to perform any ministerial functions, including collection of fees, related to producer licensing that the Director and the non-governmental entity may deem appropriate.

(Source: P.A. 92-386, eff. 1-1-02.)

Section 99. Effective date. This Act takes effect on January 1, 2010.