



Rep. Bob Morgan

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10400HB3799ham001

LRB104 11270 BAB 22933 a

1 AMENDMENT TO HOUSE BILL 3799

2 AMENDMENT NO. _____. Amend House Bill 3799 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 132, 132.3, 143.15, and 143.17 and by adding
6 Article XLVIII as follows:

7 (215 ILCS 5/132) (from Ch. 73, par. 744)

8 Sec. 132. Market conduct actions and market analysis.

9 (a) Definitions. As used in this Section:

10 "Data call" means a written solicitation by the Director
11 to 2 or more regulated companies or persons seeking existing
12 data or other existing information to be provided within a
13 reasonable time period for a narrow and targeted regulatory
14 oversight purpose for market analysis. "Data call" does not
15 include an information request in a market conduct action or
16 any data or information that the Director shall or may

1 specifically require under any other law, except as provided
2 by the other law.

3 "Desk examination" means an examination that is conducted
4 by market conduct surveillance personnel at a location other
5 than the regulated company's or person's premises. "Desk
6 examination" includes an examination performed at the
7 Department's offices with the company or person providing
8 requested documents by hard copy, microfiche, or discs or
9 other electronic media for review without an on-site
10 examination.

11 "Market analysis" means a process whereby market conduct
12 surveillance personnel collect and analyze information from
13 filed schedules, surveys, required reports, data calls, and
14 other sources to develop a baseline understanding of the
15 marketplace and to identify patterns or practices of regulated
16 persons that deviate significantly from the norm or that may
17 pose a potential risk to insurance consumers.

18 "Market conduct action" means any activity, other than
19 market analysis, that the Director may initiate to assess and
20 address the market and nonfinancial practices of regulated
21 persons, including market conduct examinations. The
22 Department's consumer complaint process outlined in 50 Ill.
23 Adm. Code 926 is not a market conduct action for purposes of
24 this Section; however, the Department may initiate market
25 conduct actions based on information gathered during that
26 process. "Market conduct action" includes:

- 1 (1) correspondence with the company or person;
- 2 (2) interviews with the company or person;
- 3 (3) information gathering;
- 4 (4) policy and procedure reviews;
- 5 (5) interrogatories;
- 6 (6) review of company or person self-evaluations and
- 7 voluntary compliance programs;
- 8 (7) self-audits; and
- 9 (8) market conduct examinations.

10 "Market conduct examination" or "examination" means any
11 type of examination, other than a financial examination, that
12 assesses a regulated person's compliance with the laws, rules,
13 and regulations applicable to the examinee. "Market conduct
14 examination" includes comprehensive examinations, targeted
15 examinations, and follow-up examinations, which may be
16 conducted as desk examinations, on-site examinations, or a
17 combination of those 2 methods.

18 "Market conduct surveillance" means market analysis or a
19 market conduct action.

20 "Market conduct surveillance personnel" means those
21 individuals employed or retained by the Department and
22 designated by the Director to collect, analyze, review, or act
23 on information in the insurance marketplace that identifies
24 patterns or practices of persons subject to the Director's
25 jurisdiction. "Market conduct surveillance personnel" includes
26 all persons identified as an examiner in the insurance laws or

1 rules of this State if the Director has designated them to
2 assist her or him in ascertaining the nonfinancial business
3 practices, performance, and operations of a company or person
4 subject to the Director's jurisdiction.

5 "On-site examination" means an examination conducted at
6 the company's or person's home office or the location where
7 the records under review are stored.

8 "SOFR rate" means the Secured Overnight Financing Rate
9 published by the Federal Reserve Bank of New York every
10 business day.

11 (b) Companies and persons subject to surveillance. The
12 Director, for the purposes of ascertaining the nonfinancial
13 business practices, performance, and operations of any person
14 subject to the Director's jurisdiction or within the
15 marketplace, may engage in market conduct actions or market
16 analysis relating to:

17 (1) any company transacting or being organized to
18 transact business in this State;

19 (2) any person engaged in or proposing to be engaged
20 in the organization, promotion, or solicitation of shares
21 or capital contributions to or aiding in the formation of
22 a company;

23 (3) any person having a written or oral contract
24 pertaining to the management or control of a company as
25 general agent, managing agent, or attorney-in-fact;

26 (4) any licensed or registered producer, firm,

1 pharmacy benefit manager, administrator, or any person
2 making application for any license, certificate, or
3 registration;

4 (5) any person engaged in the business of adjusting
5 losses or financing premiums; or

6 (6) any person, organization, trust, or corporation
7 having custody or control of information reasonably
8 related to the operation, performance, or conduct of a
9 company or person subject to the Director's jurisdiction,
10 but only as to the operation, performance, or conduct of a
11 company or person subject to the Director's jurisdiction.

12 (c) Market analysis and market conduct actions.

13 (1) The Director may perform market analysis by
14 gathering and analyzing information from data currently
15 available to the Director, information from surveys, data
16 call responses, or reports that are submitted to the
17 Director, information collected by the NAIC, and
18 information from a variety of other sources to develop a
19 baseline understanding of the marketplace and to identify
20 for further review companies or practices that deviate
21 from the norm or that may pose a potential risk to
22 insurance consumers. The Director shall use the most
23 recent NAIC Market Regulation Handbook as a guide in
24 performing market analysis. The Director may also employ
25 other guidelines or procedures as the Director may deem
26 appropriate.

1 (2) The Director may initiate a market conduct action
2 subject to the following:

3 (A) If the Director determines that further
4 inquiry into a particular person or practice is
5 needed, then the Director may consider undertaking a
6 market conduct action. The Director shall inform the
7 examinee of the initiation of the market conduct
8 action and shall use the most recent NAIC Market
9 Regulation Handbook as a guide in performing the
10 market conduct action. The Director may also employ
11 other guidelines or procedures as the Director may
12 deem appropriate.

13 (B) For an examination, the Director shall conduct
14 a pre-examination conference with the examinee to
15 clarify expectations before commencement of the
16 examination. At the pre-examination conference, the
17 Director or the market conduct surveillance personnel
18 shall disclose the basis of the examination, including
19 the statutes, regulations, or business practices at
20 issue. The Director shall provide at least 30 days'
21 advance notice of the date of the pre-examination
22 conference unless circumstances warrant that the
23 examination proceed more quickly.

24 (C) The Director may coordinate a market conduct
25 action and findings of this State with market conduct
26 actions and findings of other states.

1 (3) Nothing in this Section requires the Director to
2 undertake market analysis before initiating any market
3 conduct action.

4 (4) Nothing in this Section restricts the Director to
5 the type of market conduct action he or she initially
6 selected.

7 (5) A regulated person is required to respond to a
8 market analysis data call or to an information request in
9 a market conduct action on the terms and conditions
10 established by the Director. The Department shall
11 establish reasonable timelines that are commensurate with
12 the volume and nature of the data required to be collected
13 in the information request.

14 (6) Without limiting the contents of any examination
15 report, market conduct actions taken as a result of a
16 market analysis shall focus primarily on the general
17 business practices and compliance activities of companies
18 or persons rather than identifying infrequent or
19 unintentional random errors that do not cause significant
20 consumer harm. The Director may give a company or person
21 an opportunity to resolve matters that are identified as a
22 result of a market analysis to the Director's satisfaction
23 before undertaking a market conduct action against the
24 company or person.

25 (d) Access to books and records. Every examinee and its
26 officers, directors, and agents must provide to the Director

1 convenient and free access ~~at all reasonable hours at its~~
2 ~~office or location~~ to all books, records, and documents and
3 any or all papers relating to the business, performance,
4 operations, and affairs of the examinee or its affiliates. The
5 officers, directors, and agents of the examinee must
6 facilitate the market conduct action and aid in the action so
7 far as it is in their power to do so. The Director and any
8 authorized market conduct surveillance personnel have the
9 power to administer oaths and examine under oath any person
10 relevant to the business of the examinee. A failure to produce
11 requested books, records, or documents by the deadline shall
12 not be a violation until after the later of:

13 (1) 5 business days after the initial response
14 deadline set by the Director or authorized personnel; or

15 (2) an extended deadline granted by the Director or
16 authorized personnel.

17 (e) Examination report. The market conduct surveillance
18 personnel designated by the Director under Section 402 must
19 make a full and true report of every examination made by them
20 that contains only facts ascertained from the books, papers,
21 records, documents, and other evidence obtained by
22 investigation and examined by them or ascertained from the
23 testimony of officers, agents, or other persons examined under
24 oath concerning the business, affairs, conduct, and
25 performance of the examinee. The report of examination must be
26 verified by the oath of the examiner in charge thereof, and

1 when so verified is prima facie evidence in any action or
2 proceeding in the name of the State against the examinee, its
3 officers, directors, or agents upon the facts stated therein.

4 (f) Examinee response to examination report. The
5 Department and the examinee shall comply with the following
6 timeline, unless a mutual agreement is reached to modify the
7 timeline:

8 (1) The Department shall deliver a draft report to the
9 examinee as soon as reasonably practicable. Nothing in
10 this Section prevents the Department from sharing an
11 earlier draft of the report with the examinee before
12 confirming that the examination is completed.

13 (2) If the examinee chooses to respond with written
14 submissions or rebuttals, then the examinee must do so
15 within 30 days after receipt of any draft report delivered
16 after the completion of the examination.

17 (3) As soon as reasonably practicable after receipt of
18 any written submissions or rebuttals, the Department shall
19 issue a final report. Whenever the Department has made
20 substantive changes to a previously shared draft report,
21 unless those changes remove part or all of an alleged
22 violation or were proposed by the examinee, the Department
23 shall deliver the revised version to the examinee as a new
24 draft and shall allow the examinee 30 days to respond
25 before the Department issues a final report.

26 (4) The examinee shall, within 10 days after the

1 issuance of the final report, accept the final report or
2 request a hearing in writing, unless granted an extension
3 by mutual agreement. Failure to take either action within
4 10 days or the mutually agreed extension shall be deemed
5 an acceptance of the final report. If the examinee accepts
6 the examination report, the Director shall continue to
7 hold the content of the examination report as private and
8 confidential for a period of 30 days. Thereafter, the
9 Director shall open the final report for public
10 inspection.

11 (g) Hearing; final examination report. Notwithstanding
12 anything to the contrary in this Code or Department rules, if
13 the examinee requests a hearing, then the following procedures
14 apply:

15 (1) The examinee must request the hearing in writing
16 and must specify the issues in the final report that the
17 examinee is challenging. The examinee is limited to
18 challenging the issues that were previously challenged in
19 the examinee's written submission and rebuttal or
20 supplemental submission and rebuttal pursuant to
21 paragraphs (2) and (3) of subsection (f).

22 (2) Except as permitted in paragraphs (3) and (8) of
23 this subsection, the hearing shall be limited to the
24 written arguments submitted by the parties to the
25 designated hearing officer. The designated hearing officer
26 may, however, grant a live hearing upon the request of

1 either party.

2 (3) Discovery is limited to the market conduct
3 surveillance personnel's work papers that are relevant to
4 the issues the examinee is challenging. The relevant
5 market conduct surveillance personnel's work papers shall
6 be admitted into the record. No other forms of discovery,
7 including depositions and interrogatories, are allowed,
8 except upon written agreement of the examinee and the
9 Department when necessary to conduct a fair hearing or as
10 otherwise provided in this subsection.

11 (4) Only the examinee and the Department may submit
12 written arguments.

13 (5) The examinee must submit its written argument and
14 any supporting evidence within 30 days after the
15 Department serves a formal notice of hearing.

16 (6) The Department must submit its written response
17 and any supporting evidence within 30 days after the
18 examinee submits its written argument.

19 (7) The designated hearing officer may allow
20 additional written submissions if necessary or useful to
21 the fair resolution of the hearing.

22 (8) If either the examinee or the Department submit
23 written testimony or affidavits, then the opposing party
24 shall be given the opportunity to cross-examine the
25 witness and to submit the cross-examination to the hearing
26 officer before a decision.

1 (9) The Director shall issue a decision accompanied by
2 findings and conclusions. The Director's order is a final
3 administrative decision and shall be served upon the
4 examinee together with a copy of the final report within
5 90 days after the conclusion of the hearing. The hearing
6 is deemed concluded on the later of the last date of any
7 live hearing or the final deadline date for written
8 submissions to the hearing officer, including any
9 continuances or supplemental briefings permitted by the
10 hearing officer.

11 (10) Any portion of the final examination report that
12 was not challenged by the examinee is incorporated into
13 the decision of the Director.

14 (11) Findings of fact and conclusions of law in the
15 Director's final administrative decision are prima facie
16 evidence in any legal or regulatory action.

17 (12) If an examinee has requested a hearing, then the
18 Director shall continue to hold the final report and any
19 related decision as private and confidential for a period
20 of 49 days after the final administrative decision. After
21 the 49-day period expires, the Director shall open the
22 final report and any related decision for public
23 inspection if a court of competent jurisdiction has not
24 stayed its publication.

25 (h) Disclosure. So long as the recipient agrees to and
26 verifies in writing its legal authority to hold the

1 information confidential in a manner consistent with this
2 Section, nothing in this Section prevents the Director from
3 disclosing at any time the content of an examination report,
4 preliminary examination report, or results, or any matter
5 relating to a report or results, to:

6 (1) the insurance regulatory authorities of any other
7 state; or

8 (2) any agency or office of the federal government.

9 (i) Confidentiality.

10 (1) The Director and any other person in the course of
11 market conduct surveillance shall keep confidential all
12 documents, including working papers, third-party models,
13 or products; complaint logs; copies of any documents
14 created, produced, obtained by, or disclosed to the
15 Director, market conduct surveillance personnel, or any
16 other person in the course of market conduct surveillance
17 conducted pursuant to this Section; and all documents
18 obtained by the NAIC pursuant to this Section. The
19 documents shall remain confidential after the termination
20 of the market conduct surveillance, are not subject to
21 subpoena, are not subject to discovery or admissible as
22 evidence in private civil litigation, are not subject to
23 disclosure under the Freedom of Information Act, and must
24 not be made public at any time or used by the Director or
25 any other person, except as provided in paragraphs (3),
26 (4), and (6) of this subsection (i) and in subsection (k).

1 (2) The Director and any other person in the course of
2 market conduct surveillance shall keep confidential any
3 self-evaluation or voluntary compliance program documents
4 disclosed to the Director or other person by an examinee
5 and the data collected via the NAIC market conduct annual
6 statement. The documents are not subject to subpoena, are
7 not subject to discovery or admissible as evidence in
8 private civil litigation, are not subject to disclosure
9 under the Freedom of Information Act, and they shall not
10 be made public or used by the Director or any other person,
11 except as provided in paragraphs (3) and (4) of this
12 subsection (i), in subsection (k), or in Section 155.35.
13 Nothing in this Section shall supersede the restrictions
14 on disclosure under Section 155.35.

15 (3) Notwithstanding paragraphs (1) and (2) of this
16 subsection (i), and consistent with paragraph (5) of this
17 subsection (i), in order to assist in the performance of
18 the Director's duties, the Director may:

19 (A) share documents, materials, communications, or
20 other information, including the confidential and
21 privileged documents, materials, or information
22 described in this subsection (i), with other State,
23 federal, alien, and international regulatory agencies
24 and law enforcement authorities and the NAIC, its
25 affiliates, and subsidiaries, if the recipient agrees
26 to and verifies in writing its legal authority to

1 maintain the confidentiality and privileged status of
2 the document, material, communication, or other
3 information;

4 (B) receive documents, materials, communications,
5 or information, including otherwise confidential and
6 privileged documents, materials, or information, from
7 the NAIC and its affiliates or subsidiaries, and from
8 regulatory and law enforcement officials of other
9 State, federal, alien, or international jurisdictions,
10 authorities, and agencies, and shall maintain as
11 confidential or privileged any document, material,
12 communication, or information received with notice or
13 the understanding that it is confidential or
14 privileged under the laws of the jurisdiction that is
15 the source of the document, material, communication,
16 or information; and

17 (C) enter into agreements governing the sharing
18 and use of information consistent with this Section.

19 (4) Nothing in this Section limits:

20 (A) the Director's authority to use, if consistent
21 with subsection (5) of Section 188.1, as applicable,
22 any final or preliminary examination report, any
23 market conduct surveillance or examinee work papers or
24 other documents, or any other information discovered
25 or developed during the course of any market conduct
26 surveillance in the furtherance of any legal or

1 regulatory action initiated by the Director that the
2 Director may, in the Director's sole discretion, deem
3 appropriate; however, confidential or privileged
4 information about a company or person that is used in
5 the legal or regulatory action shall not be made
6 public except by order of a court of competent
7 jurisdiction or with the written consent of the
8 company or person; or

9 (B) the ability of an examinee to conduct
10 discovery in accordance with paragraph (3) of
11 subsection (g).

12 (5) Disclosure to or by the Director of documents,
13 materials, communications, or information required as part
14 of any type of market conduct surveillance does not waive
15 any applicable privilege or claim of confidentiality in
16 the documents, materials, communications, or information.

17 (6) Notwithstanding the confidentiality requirements
18 of this Section or otherwise imposed by State law, if the
19 Director performs a data call, other than the collection
20 of data for the NAIC market conduct annual statement, the
21 Director may make the results of the data call available
22 for public inspection in an aggregated format that does
23 not disclose information or data attributed to any
24 specific company or person, including the name of any
25 company or person who responded to the data call, so long
26 as the Director provides all companies or persons that

1 responded to the data call 15 days' notice identifying the
2 information to be publicly released. Nothing in this
3 Section requires the Director to publish results from any
4 data call. A data call does not need a warrant or a final
5 report. Failure to comply with a data call may result in a
6 fine up to \$10,000 per day per offense.

7 (j) Corrective actions.

8 (1) As a result of any market conduct action, the
9 Director may take any action the Director considers
10 necessary or appropriate in accordance with the report of
11 examination or any hearing thereon for acts in violation
12 of any law, rule, or prior lawful order of the Director. No
13 corrective action, including a penalty, shall be ordered
14 with respect to violations in transactions with consumers
15 or other entities that are isolated occurrences or that
16 occur with such low frequency as to fall below a
17 reasonable margin of error. Such actions include, but are
18 not limited to:

19 (A) requiring the regulated person to undertake
20 corrective actions to cease and desist an identified
21 violation or institute processes and practices to
22 comply with applicable standards;

23 (B) requiring reimbursement or restitution of any
24 actual losses or damages to persons harmed by the
25 regulated person's violation with interest from the
26 date that the actual loss or damage was incurred,

1 which shall be calculated at the SOFR rate applicable
2 on the date that the actual loss or damage was incurred
3 plus 2%; and

4 (C) imposing civil penalties as provided in this
5 subsection (j).

6 (2) The Director may order a penalty of up to \$2,000
7 for each violation of any law, rule, or prior lawful order
8 of the Director. Any failure to respond to an information
9 request in a market conduct action or violation of
10 subsection (d) may carry a fine of up to \$10,000 per day
11 ~~per offense \$1,000 per day up to a maximum of \$50,000. The~~
12 penalty shall be paid into the Insurance Producer
13 Administration Fund. Fines and penalties shall be
14 consistent, reasonable, and justifiable, and the Director
15 may consider reasonable criteria in ordering the fines and
16 penalties, including, but not limited to, consumer harm,
17 the intentionality of any violations, or remedial actions
18 already undertaken by the examinee. The Director shall
19 communicate to the examinee the basis for any assessed
20 fine or penalty.

21 (3) If any other provision of this Code or any other
22 law or rule under the Director's jurisdiction prescribes
23 an amount or range of monetary penalty for a violation of a
24 particular statute or rule or a maximum penalty in the
25 aggregate for repeated violations, the Director shall
26 assess penalties pursuant to the terms of the statute or

1 rule allowing the largest penalty.

2 (4) If any other provision of this Code or any other
3 law or rule under the Director's jurisdiction prescribes
4 or specifies a method by which the Director is to
5 determine a violation, then compliance with the process
6 set forth herein shall be deemed to comply with the method
7 prescribed or specified in the other provision.

8 (5) If the Director imposes any sanctions or
9 corrective actions described in subparagraphs (A) through
10 (C) of paragraph (1) of this subsection (j) based on the
11 final report, the Director shall include those actions in
12 a proposed stipulation and consent order enclosed with the
13 final report issued to the examinee under subsection (f).
14 The examinee shall have 10 days to sign the order or
15 request a hearing in writing on the actions proposed in
16 the order regardless of whether the examinee requests a
17 hearing on the contents of the report under subsection
18 (f). If the examinee does not sign the order or request a
19 hearing on the proposed actions or the final report within
20 10 days, the Director may issue a final order imposing the
21 sanctions or corrective actions. Nothing in this Section
22 prevents the Department from sharing an earlier draft of
23 the proposed order with the examinee before issuing the
24 final report.

25 (6) If the examinee accepts the order and the final
26 report, the Director shall hold the content of the order

1 and report as private and confidential for a period of 30
2 days. Thereafter, the Director shall open the order and
3 report for public inspection.

4 (7) If the examinee makes a timely request for a
5 hearing on the order, the request must specify the
6 sanctions or corrective actions in the order that the
7 examinee is challenging. Any hearing shall follow the
8 procedures set forth in paragraphs (2) through (7) of
9 subsection (g).

10 (8) If the examinee has also requested a hearing on
11 the contents of the report, then that hearing shall be
12 consolidated with the hearing on the order. The Director
13 shall not impose sanctions or corrective actions under
14 this Section until the conclusion of the hearing.

15 (9) The Director shall issue a decision accompanied by
16 findings and conclusions along with any corrective actions
17 or sanctions. Any sanctions or corrective actions shall be
18 based on the final report accepted by the examinee or
19 adopted by the Director under paragraph (9) of subsection
20 (g). The Director's order is a final administrative
21 decision and shall be served upon the examinee together
22 with a copy of the final report within 90 days after the
23 conclusion of the hearing or within 10 days after the
24 examinee's acceptance of the proposed order and final
25 report, as applicable. The hearing is deemed concluded on
26 the later of the last date of any live hearing or the final

1 deadline date for written submissions to the hearing
2 officer, including any continuances or supplemental
3 briefings permitted by the hearing officer.

4 (10) If an examinee has requested a hearing under this
5 subsection (i), the Director shall continue to hold the
6 final order and examination report as private and
7 confidential for a period of 49 days after the final
8 administrative decision. After the 49-day period expires,
9 the Director shall open the final order and examination
10 report if a court of competent jurisdiction has not stayed
11 their publication.

12 (k) National market conduct databases. The Director shall
13 collect and report market data to the NAIC's market
14 information systems, including, but not limited to, the
15 Complaint Database System, the Examination Tracking System,
16 and the Regulatory Information Retrieval System, or other
17 successor NAIC products as determined by the Director.
18 Information collected and maintained by the Department for
19 inclusion in these NAIC market information systems shall be
20 compiled in a manner that meets the requirements of the NAIC.
21 Confidential or privileged information collected, reported, or
22 maintained under this subsection (k) shall be subject to the
23 protections and restrictions on disclosure in subsection (i).

24 (l) Immunity of market conduct surveillance personnel.

25 (1) No cause of action shall arise nor shall any
26 liability be imposed against the Director, the Director's

1 authorized representatives, market conduct surveillance
2 personnel, or an examiner appointed by the Director for
3 any statements made or conduct performed in good faith
4 while carrying out the provisions of this Section.

5 (2) No cause of action shall arise nor shall any
6 liability be imposed against any person for the act of
7 communicating or delivering information or data to the
8 Director, the Director's authorized representative, market
9 conduct surveillance personnel, or examiner pursuant to an
10 examination made under this Section, if the act of
11 communication or delivery was performed in good faith and
12 without fraudulent intent or the intent to deceive.

13 (3) A person identified in paragraph (1) of this
14 subsection (1) shall be entitled to an award of attorney's
15 fees and costs if he or she is the prevailing party in a
16 civil cause of action for libel, slander, or any other
17 relevant tort arising out of activities in carrying out
18 the provisions of this Section and the party bringing the
19 action was not substantially justified in doing so. As
20 used in this paragraph, a proceeding is substantially
21 justified if it had a reasonable basis in law or fact at
22 the time it was initiated.

23 (4) This subsection (1) does not abrogate or modify in
24 any way any common law or statutory privilege or immunity
25 heretofore enjoyed by any person identified in paragraph
26 (1) of this subsection (1).

1 (Source: P.A. 103-897, eff. 1-1-25.)

2 (215 ILCS 5/132.3) (from Ch. 73, par. 744.3)

3 Sec. 132.3. Authority, scope, and scheduling of
4 examinations.

5 (a) The Director or any of his examiners may conduct an
6 examination of any company as often as the Director, in his
7 sole discretion, deems appropriate, but shall, at a minimum,
8 conduct an examination of every insurer authorized or licensed
9 in this State not less frequently than once every 5 years. In
10 scheduling and determining the nature, scope, and frequency of
11 the examinations, the Director shall consider the results of
12 financial statement analyses and ratios, changes in management
13 or ownership, actuarial opinions, reports of independent
14 certified public accountants and other criteria set forth in
15 the Examiners' Handbook adopted by the National Association of
16 Insurance Commissioners and in effect when the Director
17 exercises discretion under this subsection.

18 (b) For purposes of completing an examination of any
19 company, the Director may examine or investigate any person,
20 or the business of any person, insofar as the examination or
21 investigation is, in the sole discretion of the Director,
22 necessary or material to the examination of the company.

23 (b-5) The Director may issue a data call to any company to
24 collect any information within that company or its affiliate's
25 control. If an insurer fails to comply with the data call, the

1 Director may assess a fine up to \$10,000 per day per offense. A
2 data call does not require an examination warrant or a final
3 report. Any information provided through a data call shall be
4 treated as confidential and privileged. The information shall
5 not be subject to subpoena or discovery and shall not be
6 admissible into evidence in any private civil action. No
7 waiver of privilege or confidentiality shall occur as a result
8 of responding to such data call.

9 (c) In lieu of an examination of any foreign or alien
10 insurer authorized or licensed in this State, the Director may
11 accept an examination report on the company as prepared by the
12 insurance department for the company's state of domicile or
13 port-of-entry state until January 1, 1994. Thereafter, those
14 reports may only be accepted if (1) the insurance department
15 was at the time of the examination accredited under the
16 National Association of Insurance Commissioners' Financial
17 Regulation Standards and Accreditation Program, (2) the
18 examination is performed under the supervision of an
19 accredited insurance department or with the participation of
20 one or more examiners who are employed by an accredited state
21 insurance department, and who, after a review of the
22 examination work papers and report, state under oath that the
23 examination was performed in a manner consistent with the
24 standards and procedures required by their insurance
25 department, or (3) the Director otherwise determines that the
26 examination was performed in a manner substantially similar to

1 the standards and procedures required by Sections 132.1
2 through 132.6 of this Code.

3 (d) Any company that or person who violates or aids and
4 abets any violation of a written order issued under this
5 Section is guilty of a business offense and may be fined up to
6 \$10,000 per day per offense. The penalty shall be paid into the
7 Insurance Producer Administration Fund.

8 (Source: P.A. 89-97, eff. 7-7-95.)

9 (215 ILCS 5/143.15) (from Ch. 73, par. 755.15)

10 Sec. 143.15. Mailing of cancellation notice. All notices
11 of cancellation of insurance as defined in subsections (a),
12 (b) and (c) of Section 143.13 must be mailed at least 30 days
13 prior to the effective date of cancellation to the named
14 insured if the effective date of cancellation is within the
15 first 60 days of coverage. After the coverage has been
16 effective for 61 days or more, all notices must be mailed at
17 least 60 days prior to the effective date of cancellation.
18 ~~However,~~ however, if cancellation is for nonpayment of
19 premium, the notice of cancellation must be mailed at least 10
20 days before the effective date of the cancellation to the last
21 mailing address known to the company. All notices of
22 cancellation to the named insured shall include a specific
23 explanation of the reason or reasons for cancellation. For
24 purposes of this Section, the mortgagee or lien holder, if
25 known, may opt to accept notification electronically.

1 (Source: P.A. 100-475, eff. 1-1-18.)

2 (215 ILCS 5/143.17) (from Ch. 73, par. 755.17)

3 Sec. 143.17. Notice of intention not to renew.

4 a. No company shall fail to renew any policy of insurance,
5 as defined in subsections (a), (b), (c), and (h) of Section
6 143.13, to which Section 143.11 applies, unless it shall send
7 by mail to the named insured at least 60 ~~30~~ days advance notice
8 of its intention not to renew. The company shall maintain
9 proof of mailing of such notice on a recognized U.S. Post
10 Office form or a form acceptable to the U. S. Post Office or
11 other commercial mail delivery service. The nonrenewal shall
12 not become effective until at least 60 ~~30~~ days from the proof
13 of mailing date of the notice to the name insured.
14 Notification shall also be sent to the insured's broker, if
15 known, or the agent of record, if known, and to the last known
16 mortgagee or lien holder. For purposes of this Section, the
17 mortgagee or lien holder, insured's broker, or the agent of
18 record may opt to accept notification electronically. However,
19 where cancellation is for nonpayment of premium, the notice of
20 cancellation must be mailed at least 10 days before the
21 effective date of the cancellation.

22 b. This Section does not apply if the company has
23 manifested its willingness to renew directly to the named
24 insured. Such written notice shall specify the premium amount
25 payable, including any premium payment plan available, and the

1 name of any person or persons, if any, authorized to receive
2 payment on behalf of the company. If no person is so
3 authorized, the premium notice shall so state.

4 b-5. This Section does not apply if the company manifested
5 its willingness to renew directly to the named insured.
6 However, no company may impose changes in deductibles or
7 coverage for any policy forms applicable to an entire line of
8 business enumerated in subsections (a), (b), (c), and (h) of
9 Section 143.13 to which Section 143.11 applies unless the
10 company mails to the named insured written notice of the
11 change in deductible or coverage at least 60 days prior to the
12 renewal or anniversary date. Notice shall also be sent to the
13 insured's broker, if known, or the agent of record.

14 c. Should a company fail to comply with (a) or (b) of this
15 Section, the policy shall terminate only on the effective date
16 of any similar insurance procured by the insured with respect
17 to the same subject or location designated in both policies.

18 d. Renewal of a policy does not constitute a waiver or
19 estoppel with respect to grounds for cancellation which
20 existed before the effective date of such renewal.

21 e. In all notices of intention not to renew any policy of
22 insurance, as defined in Section 143.11 the company shall
23 provide the named insured a specific explanation of the
24 reasons for nonrenewal.

25 f. For purposes of this Section, the insured's broker, if
26 known, or the agent of record and the mortgagee or lien holder

1 may opt to accept notification electronically.

2 (Source: P.A. 100-475, eff. 1-1-18.)

3 (215 ILCS 5/Art. XLVIII heading new)

4 ARTICLE XLVIII. CLIMATE RISK DISCLOSURE

5 (215 ILCS 5/1801 new)

6 Sec. 1801. Short title. This Article may be cited as the
7 Climate Risk Disclosure Law.

8 (215 ILCS 5/1805 new)

9 Sec. 1805. Purpose. The purpose of this Article is to
10 enhance transparency about how insurers manage climate-related
11 risks and to clarify the Department's authority to require
12 companies to participate in climate surveys issued by entities
13 including but not limited to the Department and the National
14 Association of Insurance Commissioners. This Article shall be
15 liberally interpreted to carry into effect the intent of this
16 Section.

17 (215 ILCS 5/1810 new)

18 Sec. 1810. Applicability. This Article applies to all
19 companies licensed in Illinois under Classes 2 and 3 of
20 Section 4 of this Code that write \$100,000,000 or more
21 annually in premiums. This threshold may be altered by rule.

1 (215 ILCS 5/1815 new)

2 Sec. 1815. Climate disclosure survey participation. All
3 insurers subject to this Article shall, upon direction from
4 the Department, participate in National Association of
5 Insurance Commissioners issued climate surveys and Department
6 issued climate surveys."