

1 AN ACT concerning regulation.

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

4 Section 5. The Regulatory Sunset Act is amended by
5 changing Section 4.37 and by adding Section 4.47 as follows:

6 (5 ILCS 80/4.37)

7 Sec. 4.37. Acts ~~and Articles~~ repealed on January 1, 2027.

8 The following are repealed on January 1, 2027:

9 The Clinical Psychologist Licensing Act.

10 The Illinois Optometric Practice Act of 1987.

11 ~~Articles II, III, IV, V, VI, VIIA, VIIC, XVII, XXXI, and~~
12 ~~XXXI 1/4 of the Illinois Insurance Code.~~

13 The Boiler and Pressure Vessel Repairer Regulation Act.

14 The Marriage and Family Therapy Licensing Act.

15 The Boxing and Full-contact Martial Arts Act.

16 The Cemetery Oversight Act.

17 The Community Association Manager Licensing and
18 Disciplinary Act.

19 The Detection of Deception Examiners Act.

20 The Home Inspector License Act.

21 The Massage Licensing Act.

22 The Medical Practice Act of 1987.

23 The Petroleum Equipment Contractors Licensing Act.

1 The Radiation Protection Act of 1990.
2 The Real Estate Appraiser Licensing Act of 2002.
3 The Registered Interior Designers Act.
4 The Landscape Architecture Registration Act.
5 The Water Well and Pump Installation Contractor's License
6 Act.
7 The Licensed Certified Professional Midwife Practice Act.
8 (Source: P.A. 102-20, eff. 6-25-21; 102-284, eff. 8-6-21;
9 102-437, eff. 8-20-21; 102-656, eff. 8-27-21; 102-683, eff.
10 10-1-22; 102-813, eff. 5-13-22; 103-371, eff. 1-1-24; 103-823,
11 eff. 8-9-24.)

12 (5 ILCS 80/4.47 new)
13 Sec. 4.47. Articles repealed on January 1, 2037. The
14 following Articles are repealed on January 1, 2037:
15 Articles II, III, IV, V, VI, VIIA, VIIC, XVII, XXXI, and
16 XXXI 1/4 of the Illinois Insurance Code.

17 Section 10. The Illinois Administrative Procedure Act is
18 amended by changing Section 5-75 as follows:

19 (5 ILCS 100/5-75) (from Ch. 127, par. 1005-75)

20 Sec. 5-75. Incorporation by reference.

21 (a) An agency may incorporate by reference, in its rules
22 adopted under Section 5-35, rules, regulations, standards, and
23 guidelines of an agency of the United States or a nationally or

1 state recognized organization or association without
2 publishing the incorporated material in full. The reference in
3 the agency rules must fully identify the incorporated matter
4 by publisher address and date in order to specify how a copy of
5 the material may be obtained and must state that the rule,
6 regulation, standard, or guideline does not include any later
7 amendments or editions. An agency may incorporate by reference
8 these matters in its rules only if the agency, organization,
9 or association originally issuing the matter makes copies
10 readily available to the public. This Section does not apply
11 to any agency internal manual.

12 For any law imposing taxes on or measured by income, the
13 Department of Revenue may promulgate rules that include
14 incorporations by reference of federal rules or regulations
15 without identifying the incorporated matter by date and
16 without including a statement that the incorporation does not
17 include later amendments.

18 For any law implementing the federal Patient Protection
19 and Affordable Care Act (Pub. L. 111-148), the Department of
20 Insurance may adopt rules that include incorporations by
21 reference of federal rules and regulations without identifying
22 the incorporated matter by date and without including a
23 statement that the incorporation does not include later
24 amendments.

25 (b) Use of the incorporation by reference procedure under
26 this Section shall be reviewed by the Joint Committee on

1 Administrative Rules during the rulemaking process as set
2 forth in this Act.

3 (c) The agency adopting a rule, regulation, standard, or
4 guideline under this Section shall maintain a copy of the
5 referenced rule, regulation, standard, or guideline in at
6 least one of its principal offices and shall make it available
7 to the public upon request for inspection and copying at no
8 more than cost. Requests for copies of materials incorporated
9 by reference shall not be deemed Freedom of Information Act
10 requests unless so labeled by the requestor. The agency shall
11 designate by rule the agency location at which incorporated
12 materials are maintained and made available to the public for
13 inspection and copying. These rules may be adopted under the
14 procedures in Section 5-15. In addition, the agency may
15 include the designation of the agency location of incorporated
16 materials in a rulemaking under Section 5-35, but emergency
17 and peremptory rulemaking procedures may not be used solely
18 for this purpose.

19 (Source: P.A. 90-155, eff. 7-23-97.)

20 Section 15. The Illinois Insurance Code is amended by
21 changing Sections 155.49, 356z.73, 404, 500-35, and 513b1.1 as
22 follows:

23 (215 ILCS 5/155.49)

24 Sec. 155.49. Insurance company supplier diversity report.

1 (a) Every company authorized to do business in this State
2 or accredited by this State with assets of at least
3 \$50,000,000 shall submit a ~~2-page~~ report on its voluntary
4 supplier diversity program, or the company's procurement
5 program if there is no supplier diversity program, to the
6 Department. The report shall set forth all of the following:

7 (1) The name, address, phone number, and email address
8 of the point of contact for the supplier diversity program
9 for vendors to register with the program.

10 (2) Local and State certifications the company accepts
11 or recognizes for minority-owned, women-owned, LGBT-owned,
12 or veteran-owned business status.

13 (3) On the second page, a narrative explaining the
14 results of the program and the tactics to be employed to
15 achieve the goals of its voluntary supplier diversity
16 program.

17 (4) The voluntary goals for the calendar year for
18 which the report is made in each category for the entire
19 budget of the company and the commodity codes or a
20 description of particular goods and services for the area
21 of procurement in which the company expects most of those
22 goals to focus on in that year.

23 Each company is required to submit a searchable report, in
24 Portable Document Format (PDF), to the Department on or before
25 April 1, 2024 and on or before April 1 every year thereafter.
26 For reports due on or after April 1, 2027, the company shall

1 submit the report in the format designated by the Department.

2 (b) For each report submitted under subsection (a), the
3 Department shall publish the results on its Internet website
4 for 5 years after submission. The Department is not
5 responsible for collecting the reports or for the content of
6 the reports.

7 (c) The Department shall hold an annual insurance company
8 supplier diversity workshop in July of 2024 and every July
9 thereafter to discuss the reports with representatives of the
10 companies and vendors.

11 (d) The Department shall prepare a ~~one-page~~ template, ~~not~~
12 including the narrative section, for the voluntary supplier
13 diversity reports.

14 (e) The Department may adopt such rules as it deems
15 necessary to implement this Section.

16 (Source: P.A. 103-426, eff. 8-4-23.)

17 (215 ILCS 5/356z.73)

18 Sec. 356z.73. Insurance coverage for dependent parents.

19 (a) A group or individual policy of accident and health
20 insurance issued, amended, delivered, or renewed on or after
21 January 1, 2026 that provides dependent coverage shall make
22 that dependent coverage available to the parent or stepparent
23 of the insured if the parent or stepparent meets the
24 definition of a qualifying relative under 26 U.S.C. 152(d) and
25 lives or resides within the accident and health insurance

1 policy's service area.

2 (b) This Section does not apply to ~~specialized health care~~
3 ~~service plans, including~~ student health insurance coverage,
4 excepted benefits, or coverage under Article V of the Illinois
5 Public Aid Code or under the Children's Health Insurance
6 Program Act. However, this Section applies to stand-alone
7 dental plans available through the Illinois Health Benefits
8 Exchange, including when the same policy form is offered
9 outside the Exchange.; ~~Medicare supplement insurance;~~
10 ~~hospital only policies; accident only policies; or specified~~
11 ~~disease insurance policies that reimburse for hospital,~~
12 ~~medical, or surgical expenses.~~

13 (Source: P.A. 103-700, eff. 1-1-25; 104-189, eff. 8-15-25;
14 104-334, eff. 8-15-25; 104-417, eff. 8-15-25; revised
15 9-12-25.)

16 (215 ILCS 5/404) (from Ch. 73, par. 1016)

17 Sec. 404. Office of Director; a public office; destruction
18 or disposal of records, papers, documents, and memoranda.

19 (1) (a) The office of the Director shall be a public office
20 and the records, books, and papers thereof on file therein,
21 except those records or documents containing or disclosing any
22 analysis, opinion, calculation, ratio, recommendation, advice,
23 viewpoint, or estimation by any Department staff regarding the
24 financial or market condition of an insurer not otherwise made
25 part of the public record by the Director, shall be accessible

1 to the inspection of the public, except as the Director, for
2 good reason, may decide otherwise, or except as may be
3 otherwise provided in this Code or as otherwise provided in
4 Section 7 of the Freedom of Information Act.

5 (b) Except where another provision of this Code expressly
6 prohibits a disclosure of confidential information to the
7 specific officials or organizations described in this
8 subsection, the Director may disclose or share any
9 confidential records or information in his custody and control
10 with any insurance regulatory officials of any state or
11 country, with the law enforcement officials of this State, any
12 other state, or the federal government, or with the National
13 Association of Insurance Commissioners, upon the written
14 agreement of the official or organization receiving the
15 information to hold the information or records confidential
16 and in a manner consistent with this Code.

17 (c) The Director shall maintain as confidential any
18 records or information received from the National Association
19 of Insurance Commissioners or other state, federal, or
20 international regulatory agencies ~~insurance regulatory~~
21 ~~officials of other states which~~ that are ~~is~~ confidential in
22 that other jurisdiction.

23 (2) Upon the filing of the examination to which they
24 relate, the Director is authorized to destroy or otherwise
25 dispose of all working papers relative to any company which
26 has been examined at any time prior to that last examination by

1 the Department, so that in such circumstances only current
2 working papers of that last examination may be retained by the
3 Department.

4 (3) Five years after the conclusion of the transactions to
5 which they relate, the Director is authorized to destroy or
6 otherwise dispose of all books, records, papers, memoranda and
7 correspondence directly related to consumer complaints or
8 inquiries.

9 (4) Two years after the conclusion of the transactions to
10 which they relate, the Director is authorized to destroy or
11 otherwise dispose of all books, records, papers, memoranda,
12 and correspondence directly related to all void, obsolete, or
13 superseded rate filings and schedules required to be filed by
14 statute; and all individual company rating experience data and
15 all records, papers, documents and memoranda in the possession
16 of the Director relating thereto.

17 (5) Five years after the conclusion of the transactions to
18 which they relate, the Director is authorized to destroy or
19 otherwise dispose of all examination reports of companies made
20 by the insurance supervisory officials of states other than
21 Illinois; applications, requisitions, and requests for
22 licenses; all records of hearings; and all similar records,
23 papers, documents, and memoranda in the possession of the
24 Director.

25 (6) Ten years after the conclusion of the transactions to
26 which they relate, the Director is authorized to destroy or

1 otherwise dispose of all official correspondence of foreign
2 and alien companies, all foreign companies' and alien
3 companies' annual statements, valuation reports, tax reports,
4 and all similar records, papers, documents and memoranda in
5 the possession of the Director.

6 (7) Whenever any records, papers, documents or memoranda
7 are destroyed or otherwise disposed of pursuant to the
8 provisions of this section, the Director shall execute and
9 file in a separate, permanent office file a certificate
10 listing and setting forth by summary description the records,
11 papers, documents or memoranda so destroyed or otherwise
12 disposed of, and the Director may, in his discretion, preserve
13 copies of any such records, papers, documents or memoranda by
14 means of microfilming or photographing the same.

15 (8) This Section shall apply to records, papers,
16 documents, and memoranda presently in the possession of the
17 Director as well as to records, papers, documents, and
18 memoranda hereafter coming into his possession.

19 (Source: P.A. 97-1004, eff. 8-17-12.)

20 (215 ILCS 5/500-35)

21 (Section scheduled to be repealed on January 1, 2027)

22 Sec. 500-35. License.

23 (a) Unless denied a license pursuant to Section 500-70,
24 persons who have met the requirements of Sections 500-25 and
25 500-30 shall be issued a 2-year insurance producer license. An

1 insurance producer may receive qualification for a license in
2 one or more of the following lines of authority:

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

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

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

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

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

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

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

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

1 (1) Before each license renewal, an insurance producer
2 must satisfactorily complete at least 24 hours of course
3 study or participation in a professional insurance
4 association under paragraph (3) of this subsection in
5 accordance with rules prescribed by the Director. Three of
6 the 24 hours of course study must consist of classroom or
7 webinar ethics instruction. The Director may not approve a
8 course of study unless the course provides for classroom,
9 seminar, webinar, or self-study instruction methods. A
10 course given in a combination instruction method of
11 classroom, seminar, webinar, or self-study shall be deemed
12 to be a self-study course unless the number of classroom,
13 seminar, or webinar certified hours meets or exceeds
14 two-thirds of total hours certified for the course. The
15 self-study material used in the combination course must be
16 directly related to and complement the classroom portion
17 of the course in order to be considered for credit. An
18 instruction method other than classroom or seminar shall
19 be considered as self-study methodology. Self-study credit
20 hours require the successful completion of an examination
21 covering the self-study material. The examination may not
22 be self-evaluated. However, if the self-study material is
23 completed through the use of an approved computerized
24 interactive format whereby the computer validates the
25 successful completion of the self-study material, no
26 additional examination is required. The self-study credit

1 hours contained in a certified course shall be considered
2 classroom hours when at least two-thirds of the hours are
3 given as classroom or seminar instruction.

4 (2) An insurance producer license automatically
5 terminates when an insurance producer fails to
6 successfully meet the requirements of paragraph (1) of
7 this subsection. The producer must complete the course in
8 advance of the renewal date to allow the education
9 provider time to report the credit to the Department.

10 (3) An insurance producer's active participation in a
11 State or national professional insurance association may
12 be approved by the Director for up to 4 hours of continuing
13 education credit per biennial reporting period. Credit
14 shall be provided on an hour-for-hour basis. These hours
15 shall be verified and submitted by the association on
16 behalf of the insurance producer and credited upon timely
17 filing with the Director or his or her designee on a
18 biennial basis. Any association submitting continuing
19 education credit hours on behalf of insurance producers
20 must be registered as an education provider under Section
21 500-135. Credit granted under these provisions shall not
22 be used to satisfy ethics education requirements. Active
23 participation in a State or national professional
24 insurance association is defined by one of the following
25 methods:

26 (A) service on a board of directors of a State or

1 national chapter of the association;

2 (B) service on a formal committee of a State or
3 national chapter of the association; or

4 (C) service on a formal subcommittee or task force
5 of a State or national chapter of the association.

6 (c) A provider of a pre-licensing or continuing education
7 course required by Section 500-30 and this Section must pay a
8 registration fee and a course certification fee for each
9 course being certified as provided by Section 500-135. The
10 Department may waive these fees if the pre-licensing or
11 continuing education course is provided by a government entity
12 free of charge.

13 (d) An individual insurance producer who allows his or her
14 license to lapse may, within 12 months after the due date of
15 the renewal fee, be issued a license without the necessity of
16 passing a written examination. However, a penalty in the
17 amount of double the unpaid renewal fee shall be required
18 after the due date.

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

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

26 (g) Licensees must inform the Director by any means

1 acceptable to the Director of a change of address within 30
2 days after the change.

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

11 (Source: P.A. 104-417, eff. 8-15-25.)

12 (215 ILCS 5/513b1.1)

13 Sec. 513b1.1. Pharmacy benefit manager reporting
14 requirements.

15 (a) A pharmacy benefit manager that provides services for
16 a health benefit plan must submit an annual report no later
17 than September 1, to the Department, each health benefit plan
18 sponsor, and each insurer that includes the following:

19 (1) data on the health benefit plan including:

20 (A) a list of drugs including corresponding
21 information on therapeutic class, brand name, generic
22 name, or specialty drug name;

23 (B) the total number of covered individuals and
24 number of Illinois residents who are covered
25 individuals;

1 (C) number of drug-related claims;

2 (D) dosage units;

3 (E) dispensing channel used;

4 (F) average wholesale acquisition cost per drug;

5 and

6 (G) total out-of-pocket spending by deidentified
7 covered individual per drug, per transaction;

8 (2) amount received by the health benefit plan in
9 rebates, fees, or discounts related to drug utilization or
10 spending;

11 (3) total gross spending on drugs by the health
12 benefit plan;

13 (4) total net spending, gross spending less
14 administrative portion of the medical loss ratio, on drugs
15 by the health benefit plan;

16 (5) the amount paid by the health benefit plan to the
17 pharmacy benefit manager for reimbursement cost of a drug
18 and service per transaction;

19 (6) the amount a pharmacy benefit manager paid for
20 pharmacists' services and drugs rendered related to the
21 health benefit plan per transaction, including, but not
22 limited to, any dispensing fee;

23 (7) the specific rebate amount received by the
24 pharmacy benefit manager per transaction, the amount of
25 the rebates passed through to the health benefit plan per
26 transaction, and the amount of the rebates passed on to

1 covered individuals at the point of sale that reduced the
2 covered individuals' applicable deductible, copayment,
3 coinsurance, or other cost-sharing amount per transaction;

4 (8) any information collected from drug manufacturers
5 pertaining to copayment assistance to the extent such
6 information is collected;

7 (9) any compensation paid to brokers, consultants,
8 advisors, or any other individual or firm for referrals,
9 consideration, or retention by the health benefit plan;

10 (10) explanation of benefit design parameters
11 encouraging or requiring covered individuals to use
12 affiliated pharmacies, percentage of drugs charged by
13 these pharmacies, and a list of drugs dispensed by
14 affiliated pharmacies with their associated costs; and

15 (11) a complete copy of each unredacted contract the
16 pharmacy benefit manager has with the health benefit plan
17 sponsor or insurer.

18 (b) Annual reports pursuant to subsection (a):

19 (1) must be written in plain language to ensure ease
20 of reading and accessibility;

21 (2) must only contain summary health information to
22 ensure plan, coverage, or covered individual information
23 remains private and confidential;

24 (3) upon request by a covered individual, must be
25 available in summary format and provide aggregated
26 information to help covered individuals understand their

1 health benefit plan's drug coverage; and

2 (4) must be filed with the Department no later than
3 September 1 of each year in the format designated by the
4 Department ~~via the Systems for Electronic Rates & Forms~~
5 ~~Filing (SERFF)~~. The filing shall include the summary
6 version of the report described in paragraph (3) of this
7 subsection, which the Department shall make available to
8 members of the public ~~be marked for public access~~.

9 The Department may share all reports with an established
10 institution of higher education in this State for the creation
11 of a pharmacist dispensing cost report to be produced
12 annually. This annual pharmacist dispensing cost report shall
13 provide a survey of the average cost of dispensing a
14 prescription for pharmacists in Illinois. The institution of
15 higher education shall have the ability to request additional
16 information from pharmacists for its analysis. The institution
17 of higher education shall issue the report to the General
18 Assembly no later than December 31, 2026 and annually
19 thereafter.

20 (c) A pharmacy benefit manager may petition the Department
21 for a filing submission extension. The Director may grant or
22 deny the extension within 5 business days.

23 (d) Failure by a pharmacy benefit manager to submit all
24 required elements in an annual report to the Department may
25 result in a fine levied by the Director not to exceed \$10,000
26 per day, per offense. Funds derived from fines levied shall be

1 deposited into the Insurance Producer Administration Fund.
2 Fine information shall be posted on the Department's website.

3 (e) A pharmacy benefit manager found in violation of
4 subsection (a) or paragraph (4) of subsection (b) may request
5 a hearing from the Director within 10 days of receipt of the
6 Director's order, or, if the violation is found in a market
7 conduct examination, as provided in Section 132 of this Code.

8 (f) Except for the summary version, the annual reports
9 submitted by pharmacy benefit managers shall be considered
10 confidential and privileged for all purposes, including for
11 purposes of the Freedom of Information Act, shall not be
12 subject to subpoena from any private party, and shall not be
13 admissible as evidence in a civil action.

14 (g) A copy of an adverse decision against a pharmacy
15 benefit manager for failing to submit an annual report to the
16 Department must be posted to the Department's website.

17 (h) Nothing in this Section shall be construed as
18 permitting a pharmacy benefit manager to avoid or otherwise
19 fail to comply with the reporting requirements set forth in
20 Section 5-36 of the Illinois Public Aid Code.

21 (Source: P.A. 104-27, eff. 1-1-26; 104-439, eff. 12-2-25.)

22 (215 ILCS 123/Act rep.)

23 Section 20. The Health Care Purchasing Group Act is
24 repealed.

1 Section 25. The Network Adequacy and Transparency Act is
2 amended by changing Section 3 as follows:

3 (215 ILCS 124/3)

4 Sec. 3. Applicability of Act. This Act applies to an
5 individual or group policy of health insurance coverage with a
6 network plan amended, delivered, issued, or renewed in this
7 State on or after January 1, 2019. This Act does not apply to
8 an individual or group policy for excepted benefits ~~or~~
9 ~~short term, limited duration health insurance coverage with a~~
10 ~~network plan~~. This Act does not apply to stand-alone dental
11 plans. If federal law establishes network adequacy and
12 transparency standards for stand-alone dental plans, the
13 Department shall enforce those applicable federal
14 requirements.

15 (Source: P.A. 103-650, eff. 1-1-25; 103-777, eff. 1-1-25;
16 104-334, eff. 8-15-25; 104-417, eff. 8-15-25.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.