

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 Department of Natural Resources
5 (Conservation) Law of the Civil Administrative Code of
6 Illinois is amended by adding Section 805-570 as follows:

7 (20 ILCS 805/805-570 new)

8 Sec. 805-570. Flood insurance training course. The
9 Department shall create a biennial training course for
10 Illinois insurance producers regarding the eligibility for and
11 availability of the National Flood Insurance Program that
12 shall count towards an insurance producer's flood insurance
13 continuing education requirements under Section 500-35 of the
14 Illinois Insurance Code. The Department of Insurance shall
15 review and approve the training course under its normal course
16 approval process.

17 Section 10. The Illinois Insurance Code is amended by
18 changing Section 500-35 as follows:

19 (215 ILCS 5/500-35)

20 (Section scheduled to be repealed on January 1, 2027)

21 Sec. 500-35. License.

1 (a) Unless denied a license pursuant to Section 500-70,
2 persons who have met the requirements of Sections 500-25 and
3 500-30 shall be issued a 2-year insurance producer license. An
4 insurance producer may receive qualification for a license in
5 one or more of the following lines of authority:

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

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

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

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

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

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

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

26 (b) An insurance producer license shall remain in effect

1 unless revoked or suspended as long as the fee set forth in
2 Section 500-135 is paid and education requirements for
3 resident individual producers are met by the due date.

4 (1) Before each license renewal, an insurance producer
5 must satisfactorily complete at least 24 hours of course
6 study or participation in a professional insurance
7 association under paragraph (3) of this subsection in
8 accordance with rules prescribed by the Director. Three of
9 the 24 hours of course study must consist of classroom or
10 webinar ethics instruction. Beginning January 1, 2025, for
11 any insurance producer who is licensed in the property
12 insurance line of authority, one of the 24 hours of course
13 study must be related to flood insurance, which may be
14 satisfied by the training course developed by the
15 Department of Natural Resources pursuant to Section
16 805-570 of the Department of Natural Resources
17 (Conservation) Law of the Civil Administrative Code of
18 Illinois. The Director may not approve a course of study
19 unless the course provides for classroom, seminar,
20 webinar, or self-study instruction methods. A course given
21 in a combination instruction method of classroom, seminar,
22 webinar, or self-study shall be deemed to be a self-study
23 course unless the classroom, seminar, or webinar certified
24 hours meets or exceeds two-thirds of total hours certified
25 for the course. The self-study material used in the
26 combination course must be directly related to and

1 complement the classroom portion of the course in order to
2 be considered for credit. An instruction method other than
3 classroom or seminar shall be considered as self-study
4 methodology. Self-study credit hours require the
5 successful completion of an examination covering the
6 self-study material. The examination may not be
7 self-evaluated. However, if the self-study material is
8 completed through the use of an approved computerized
9 interactive format whereby the computer validates the
10 successful completion of the self-study material, no
11 additional examination is required. The self-study credit
12 hours contained in a certified course shall be considered
13 classroom hours when at least two-thirds of the hours are
14 given as classroom or seminar instruction.

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

22 (3) An insurance producer's active participation in a
23 State or national professional insurance association may
24 be approved by the Director for up to 4 hours of continuing
25 education credit per biennial reporting period. Credit
26 shall be provided on an hour-for-hour basis. These hours

1 shall be verified and submitted by the association on
2 behalf of the insurance producer and credited upon timely
3 filing with the Director or his or her designee on a
4 biennial basis. Any association submitting continuing
5 education credit hours on behalf of insurance producers
6 must be registered as an education provider under Section
7 500-135. Credit granted under these provisions shall not
8 be used to satisfy ethics education requirements. Active
9 participation in a State or national professional
10 insurance association is defined by one of the following
11 methods:

12 (A) service on a board of directors of a State or
13 national chapter of the association;

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

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

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

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

1 after the due date.

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

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

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

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

20 (Source: P.A. 102-766, eff. 1-1-23.)

21 Section 99. Effective date. This Act takes effect January
22 1, 2024.