



Sen. Michael W. Halpin

Filed: 3/24/2023

10300SB2417sam001

LRB103 27618 BMS 59765 a

1 AMENDMENT TO SENATE BILL 2417

2 AMENDMENT NO. _____. Amend Senate Bill 2417 by replacing
3 everything after the enacting clause with the following:

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.

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

3 (215 ILCS 5/500-35)

4 (Section scheduled to be repealed on January 1, 2027)

5 Sec. 500-35. License.

6 (a) Unless denied a license pursuant to Section 500-70,
7 persons who have met the requirements of Sections 500-25 and
8 500-30 shall be issued a 2-year insurance producer license. An
9 insurance producer may receive qualification for a license in
10 one or more of the following lines of authority:

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

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

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

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

23 (5) Casualty: insurance coverage against legal
24 liability, including that for death, injury, or disability

1 or damage to real or personal property.

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

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

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

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

1 webinar, or self-study instruction methods. A course given
2 in a combination instruction method of classroom, seminar,
3 webinar, or self-study shall be deemed to be a self-study
4 course unless the classroom, seminar, or webinar certified
5 hours meets or exceeds two-thirds of total hours certified
6 for the course. The self-study material used in the
7 combination course must be directly related to and
8 complement the classroom portion of the course in order to
9 be considered for credit. An instruction method other than
10 classroom or seminar shall be considered as self-study
11 methodology. Self-study credit hours require the
12 successful completion of an examination covering the
13 self-study material. The examination may not be
14 self-evaluated. However, if the self-study material is
15 completed through the use of an approved computerized
16 interactive format whereby the computer validates the
17 successful completion of the self-study material, no
18 additional examination is required. The self-study credit
19 hours contained in a certified course shall be considered
20 classroom hours when at least two-thirds of the hours are
21 given as classroom or seminar instruction.

22 (2) An insurance producer license automatically
23 terminates when an insurance producer fails to
24 successfully meet the requirements of item (1) of
25 subsection (b) of this Section. The producer must complete
26 the course in advance of the renewal date to allow the

1 education provider time to report the credit to the
2 Department.

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

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

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

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

25 (c) A provider of a pre-licensing or continuing education
26 course required by Section 500-30 and this Section must pay a

1 registration fee and a course certification fee for each
2 course being certified as provided by Section 500-135.

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

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

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

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

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

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

2 Section 99. Effective date. This Act takes effect January
3 1, 2024."