



Insurance Committee

**Filed: 2/26/2008**

09500HB4379ham001

LRB095 14317 AMC 47050 a

1 AMENDMENT TO HOUSE BILL 4379

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4379 by replacing  
3 everything after the enacting clause with the following:

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

6 (215 ILCS 5/500-30)

7 Sec. 500-30. Application for license.

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

15 (1) is at least 18 years of age;

16 (2) has not committed any act that is a ground for

1 denial, suspension, or revocation set forth in Section  
2 500-70;

3 (3) has completed, if required by the Director, a  
4 pre-licensing course of study for the lines of authority  
5 for which the individual has applied (an individual who  
6 successfully completes the Fire and Casualty pre-licensing  
7 courses also meets the requirements for Personal  
8 Lines-Property and Casualty);

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

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

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

16 Class of Insurance	Number of 17 Hours
18 Life (Class 1 (a))	<u>20</u> <del>15.0</del>
19 Accident and Health (Class 1(b) or 2(a))	<u>20</u> <del>15.0</del>
20 Fire (Class 3)	<u>20</u> <del>15.0</del>
21 Casualty (Class 2)	<u>20</u> <del>15.0</del>
22 Personal Lines-Property Casualty	<u>20</u> <del>15.0</del>
23 Motor Vehicle (Class 2(b) or 3(e))	<u>12.5</u> <del>7.5</del>

24 Notwithstanding any other rulemaking authority that may  
25 exist, neither the Governor nor any agency or agency head under  
26 the jurisdiction of the Governor has any authority to make or

1 promulgate rules to implement or enforce the provisions of this  
2 amendatory Act of the 95th General Assembly. If, however, the  
3 Governor believes that rules are necessary to implement or  
4 enforce the provisions of this amendatory Act of the 95th  
5 General Assembly, the Governor may suggest rules to the General  
6 Assembly by filing them with the Clerk of the House and the  
7 Secretary of the Senate and by requesting that the General  
8 Assembly authorize such rulemaking by law, enact those  
9 suggested rules into law, or take any other appropriate action  
10 in the General Assembly's discretion. Nothing contained in this  
11 amendatory Act of the 95th General Assembly shall be  
12 interpreted to grant rulemaking authority under any other  
13 Illinois statute where such authority is not otherwise  
14 explicitly given. For the purposes of this amendatory Act of  
15 the 95th General Assembly, "rules" is given the meaning  
16 contained in Section 1-70 of the Illinois Administrative  
17 Procedure Act, and "agency" and "agency head" are given the  
18 meanings contained in Sections 1-20 and 1-25 of the Illinois  
19 Administrative Procedure Act to the extent that such  
20 definitions apply to agencies or agency heads under the  
21 jurisdiction of the Governor.

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

26 (1) the business entity has paid the fees set forth in

1 Section 500-135; and

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

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

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

9 (215 ILCS 5/500-35)

10 Sec. 500-35. License.

11 (a) Unless denied a license pursuant to Section 500-70,  
12 persons who have met the requirements of Sections 500-25 and  
13 500-30 shall be issued a 2-year insurance producer license. An  
14 insurance producer may receive qualification for a license in  
15 one or more of the following lines of authority:

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

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

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

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

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

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

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

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

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

1 be directly related to and complement the classroom portion  
2 of the course in order to be considered for credit. An  
3 instruction method other than classroom or seminar shall be  
4 considered as self-study methodology. Self-study credit  
5 hours require the successful completion of an examination  
6 covering the self-study material. The examination may not  
7 be 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 Notwithstanding any other rulemaking authority that  
16 may exist, neither the Governor nor any agency or agency  
17 head under the jurisdiction of the Governor has any  
18 authority to make or promulgate rules to implement or  
19 enforce the provisions of this amendatory Act of the 95th  
20 General Assembly. If, however, the Governor believes that  
21 rules are necessary to implement or enforce the provisions  
22 of this amendatory Act of the 95th General Assembly, the  
23 Governor may suggest rules to the General Assembly by  
24 filing them with the Clerk of the House and the Secretary  
25 of the Senate and by requesting that the General Assembly  
26 authorize such rulemaking by law, enact those suggested

1        rules into law, or take any other appropriate action in the  
2        General Assembly's discretion. Nothing contained in this  
3        amendatory Act of the 95th General Assembly shall be  
4        interpreted to grant rulemaking authority under any other  
5        Illinois statute where such authority is not otherwise  
6        explicitly given. For the purposes of this amendatory Act  
7        of the 95th General Assembly, "rules" is given the meaning  
8        contained in Section 1-70 of the Illinois Administrative  
9        Procedure Act, and "agency" and "agency head" are given the  
10       meanings contained in Sections 1-20 and 1-25 of the  
11       Illinois Administrative Procedure Act to the extent that  
12       such definitions apply to agencies or agency heads under  
13       the jurisdiction of the Governor.

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

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

25       (d) An individual insurance producer who allows his or her  
26       license to lapse may, within 12 months after the due date of

1 the renewal fee, be issued a license without the necessity of  
2 passing a written examination. However, a penalty in the amount  
3 of double the unpaid renewal fee shall be required after the  
4 due date.

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

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

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

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

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