

1 AN ACT concerning insurance.

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

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7 (Section scheduled to be repealed on January 1, 2017)

8 Sec. 500-30. Application for license.

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

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

17 (2) has not committed any act that is a ground for
18 denial, suspension, or revocation set forth in Section
19 500-70;

20 (3) has completed, if required by the Director, a
21 pre-licensing course of study before the insurance exam for
22 the lines of authority for which the individual has applied
23 (an individual who successfully completes the Fire and

1 Casualty pre-licensing courses also meets the requirements
 2 for Personal Lines-Property and Casualty);

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

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

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

10 Class of Insurance	Number of
	11 Hours
12 Life (Class 1 (a))	<u>20</u> 15.0
13 Accident and Health (Class 1(b) or 2(a))	<u>20</u> 15.0
14 Fire (Class 3)	<u>20</u> 15.0
15 Casualty (Class 2)	<u>20</u> 15.0
16 Personal Lines-Property Casualty	<u>20</u> 15.0
17 Motor Vehicle (Class 2(b) or 3(e))	<u>12.5</u> 7.5

18 7.5 hours of each pre-licensing course must be completed in
 19 a classroom setting, except Motor Vehicle, which would require
 20 5 hours in a classroom setting.

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

25 (1) the business entity has paid the fees set forth in
 26 Section 500-135; and

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

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

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

8 (215 ILCS 5/500-35)

9 (Section scheduled to be repealed on January 1, 2017)

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

26 (d) An individual insurance producer who allows his or her

1 license to lapse may, within 12 months after the due date of
2 the renewal fee, be issued a license without the necessity of
3 passing a written examination. However, a penalty in the amount
4 of double the unpaid renewal fee shall be required after the
5 due date.

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

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

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

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

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

25 Section 99. Effective date. This Act takes effect on
26 January 1, 2010.