



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB1115

Introduced 2/11/2009, by Rep. JoAnn D. Osmond

#### SYNOPSIS AS INTRODUCED:

20 ILCS 1405/1405-35 new

Amends the Department of Insurance Law of the Civil Administrative Code of Illinois. Provides that Executive Order No. 2004-6 is superseded by the Act. Abolishes the Division of Insurance within the Department of Financial and Professional Regulation and creates the Department of Insurance. Transfers all the powers, duties, rights, and responsibilities of the Division of Insurance within the Department of Financial and Professional Regulation to the Department of Insurance. Effective July 1, 2009.

LRB096 09596 RPM 19757 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Department of Insurance Law of the Civil  
5 Administrative Code of Illinois is amended by adding Section  
6 1405-35 as follows:

7 (20 ILCS 1405/1405-35 new)

8 Sec. 1405-35. The Department of Insurance.

9 (a) Executive Order No. 2004-6 is hereby superseded by this  
10 amendatory Act of the 96th General Assembly to the extent that  
11 Executive Order No. 2004-6 transfers the powers, duties,  
12 rights, and responsibilities of the Department of Insurance to  
13 the Division of Insurance within the Department of Financial  
14 and Professional Regulation.

15 (b) The Division of Insurance within the Department of  
16 Financial and Professional Regulation is hereby abolished and  
17 the Department of Insurance is created as an independent  
18 department. On July 1, 2009, all powers, duties, rights, and  
19 responsibilities of the Division of Insurance within the  
20 Department of Financial and Professional Regulation shall be  
21 transferred to the Department of Insurance.

22 (c) The personnel of the Division of Insurance within the  
23 Department of Financial and Professional Regulation shall be

1 transferred to the Department of Insurance. The status and  
2 rights of such employees under the Personnel Code shall not be  
3 affected by the transfer. The rights of the employees and the  
4 State of Illinois and its agencies under the Personnel Code and  
5 applicable collective bargaining agreements or under any  
6 pension, retirement, or annuity plan shall not be affected by  
7 this amendatory Act. To the extent that an employee performs  
8 duties for the Division of Insurance within the Department of  
9 Financial and Professional Regulation and the Department of  
10 Financial and Professional Regulation itself or any other  
11 division or agency within the Department of Financial and  
12 Professional Regulation, that employee shall be transferred at  
13 the Governor's discretion.

14 (d) All books, records, papers, documents, property (real  
15 and personal), contracts, causes of action, and pending  
16 business pertaining to the powers, duties, rights, and  
17 responsibilities transferred by this amendatory Act from the  
18 Division of Insurance within the Department of Financial and  
19 Professional Regulation to the Department of Insurance,  
20 including, but not limited to, material in electronic or  
21 magnetic format and necessary computer hardware and software,  
22 shall be transferred to the Department of Insurance.

23 (e) All unexpended appropriations and balances and other  
24 funds available for use by the Division of Insurance within the  
25 Department of Financial and Professional Regulation shall be  
26 transferred for use by the Department of Insurance pursuant to

1 the direction of the Governor. Unexpended balances so  
2 transferred shall be expended only for the purpose for which  
3 the appropriations were originally made.

4 (f) The powers, duties, rights, and responsibilities  
5 transferred from the Division of Insurance within the  
6 Department of Financial and Professional Regulation by this  
7 amendatory Act shall be vested in and shall be exercised by the  
8 Department of Insurance.

9 (g) Whenever reports or notices are now required to be made  
10 or given or papers or documents furnished or served by any  
11 person to or upon the Division of Insurance within the  
12 Department of Financial and Professional Regulation in  
13 connection with any of the powers, duties, rights, and  
14 responsibilities transferred by this amendatory Act, the same  
15 shall be made, given, furnished, or served in the same manner  
16 to or upon the Department of Insurance.

17 (h) This amendatory Act does not affect any act done,  
18 ratified, or canceled or any right occurring or established or  
19 any action or proceeding had or commenced in an administrative,  
20 civil, or criminal cause by the Division of Insurance within  
21 the Department of Financial and Professional Regulation before  
22 this amendatory Act takes effect; such actions or proceedings  
23 may be prosecuted and continued by the Department of Insurance.

24 (i) Any rules of the Division of Insurance within the  
25 Department of Financial and Professional Regulation, including  
26 any rules of its predecessor Department of Insurance, that

1 relate to its powers, duties, rights, and responsibilities and  
2 are in full force on the effective date of this amendatory Act  
3 shall become the rules of the recreated Department of  
4 Insurance. This amendatory Act does not affect the legality of  
5 any such rules in the Illinois Administrative Code.

6 Any proposed rules filed with the Secretary of State by the  
7 Division of Insurance within the Department of Financial and  
8 Professional Regulation that are pending in the rulemaking  
9 process on the effective date of this amendatory Act and  
10 pertain to the powers, duties, rights, and responsibilities  
11 transferred, shall be deemed to have been filed by the  
12 Department of Insurance. As soon as practicable hereafter, the  
13 Department of Insurance shall revise and clarify the rules  
14 transferred to it under this amendatory Act to reflect the  
15 reorganization of powers, duties, rights, and responsibilities  
16 affected by this amendatory Act, using the procedures for  
17 recodification of rules available under the Illinois  
18 Administrative Procedures Act, except that existing title,  
19 part, and section numbering for the affected rules may be  
20 retained. The Department of Insurance may propose and adopt  
21 under the Illinois Administrative Procedures Act such other  
22 rules of the Division of Insurance within the Department of  
23 Financial and Professional Regulation that will now be  
24 administered by the Department of Insurance.

25 To the extent that, prior to July 1, 2009, the Director of  
26 the Division of Insurance within the Department of Financial

1 and Professional Regulation had been empowered to prescribe  
2 rules or had other rulemaking authority jointly with the  
3 Secretary of the Department of Financial and Professional  
4 Regulation with regard to the powers, duties, rights, and  
5 responsibilities of the Division of Insurance within the  
6 Department of Financial and Professional Regulation, such  
7 duties shall be exercised from and after July 1, 2009 solely by  
8 the Director of the Department of Insurance.

9 Section 99. Effective date. This Act takes effect on July  
10 1, 2009.