



Rep. JoAnn D. Osmond

Filed: 3/11/2011

09700HB1287ham001

LRB097 06812 RPM 52807 a

1 AMENDMENT TO HOUSE BILL 1287

2 AMENDMENT NO. _____. Amend House Bill 1287 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 500-10 and 500-35 as follows:

6 (215 ILCS 5/500-10)

7 (Section scheduled to be repealed on January 1, 2017)

8 Sec. 500-10. Definitions. In addition to the definitions in
9 Section 2 of the Code, the following definitions apply to this
10 Article:

11 "Business entity" means a corporation, association,
12 partnership, limited liability company, limited liability
13 partnership, or other legal entity.

14 "Car rental limited line licensee" means a person
15 authorized under the provisions of Section 500-105 to sell
16 certain coverages relating to the rental of vehicles.

1 "Home state" means the District of Columbia and any state
2 or territory of the United States in which an insurance
3 producer maintains his or her principal place of residence or
4 principal place of business and is licensed to act as an
5 insurance producer.

6 "Insurance" means any of the lines of authority in Section
7 500-35, any health care plan under the Health Maintenance
8 Organization Act, or any limited health care plan under the
9 Limited Health Service Organization Act.

10 "Insurance producer" means a person required to be licensed
11 under the laws of this State to sell, solicit, or negotiate
12 insurance.

13 "Insurer" means a company as defined in subsection (e) of
14 Section 2 of this Code, a health maintenance organization as
15 defined in the Health Maintenance Organization Act, or a
16 limited health service organization as defined in the Limited
17 Health Service Organization Act.

18 "License" means a document issued by the Director
19 authorizing an individual to act as an insurance producer for
20 the lines of authority specified in the document or authorizing
21 a business entity to act as an insurance producer. The license
22 itself does not create any authority, actual, apparent, or
23 inherent, in the holder to represent or commit an insurance
24 carrier.

25 "Limited lines insurance" means those lines of insurance
26 defined in Section 500-100 or any other line of insurance that

1 the Director may deem it necessary to recognize for the
2 purposes of complying with subsection (e) of Section 500-40.

3 "Limited lines producer" means a person authorized by the
4 Director to sell, solicit, or negotiate limited lines
5 insurance.

6 "Negotiate" means the act of conferring directly with or
7 offering advice directly to a purchaser or prospective
8 purchaser of a particular contract of insurance concerning any
9 of the substantive benefits, terms, or conditions of the
10 contract, provided that the person engaged in that act either
11 sells insurance or obtains insurance from insurers for
12 purchasers.

13 "Person" means an individual or a business entity.

14 "Rental agreement" means a written agreement setting forth
15 the terms and conditions governing the use of a vehicle
16 provided by a rental company for rental or lease.

17 "Rental company" means a person, or a franchisee of the
18 person, in the business of providing primarily private
19 passenger vehicles to the public under a rental agreement for a
20 period not to exceed 30 days.

21 "Rental period" means the term of the rental agreement.

22 "Renter" means a person obtaining the use of a vehicle from
23 a rental company under the terms of a rental agreement for a
24 period not to exceed 30 days.

25 "Self-service storage facility limited line licensee"
26 means a person authorized under the provisions of Section

1 500-107 to sell certain coverages relating to the rental of
2 self-service storage facilities.

3 "Sell" means to exchange a contract of insurance by any
4 means, for money or its equivalent, on behalf of an insurance
5 company.

6 "Solicit" means attempting to sell insurance or asking or
7 urging a person to apply for a particular kind of insurance
8 from a particular company.

9 "Terminate" means the cancellation of the relationship
10 between an insurance producer and the insurer or the
11 termination of a producer's authority to transact insurance.

12 "Uniform Business Entity Application" means the current
13 version of the National Association of Insurance
14 Commissioners' Uniform Business Entity Application for
15 nonresident business entities.

16 "Uniform Application" means the current version of the
17 National Association of Insurance Commissioners' Uniform
18 Application for nonresident producer licensing.

19 "Vehicle" or "rental vehicle" means a motor vehicle of (1)
20 the private passenger type, including passenger vans, mini
21 vans, and sport utility vehicles or (2) the cargo type,
22 including cargo vans, pickup trucks, and trucks with a gross
23 vehicle weight of less than 26,000 pounds the operation of
24 which does not require the operator to possess a commercial
25 driver's license.

26 "Webinar" means an online educational presentation during

1 which a live and participating instructor and participating
2 viewers, whose attendance is periodically verified throughout
3 the presentation, actively engage in discussion and in the
4 submission and answering of questions.

5 (Source: P.A. 92-386, eff. 1-1-02; 93-288, eff. 1-1-04.)

6 (215 ILCS 5/500-35)

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

8 Sec. 500-35. License.

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

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

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

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

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

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

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

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

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

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

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

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. 96-839, eff. 1-1-10.)".