



Rep. Marcus C. Evans, Jr.

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LRB100 08572 SMS 23293 a

1 AMENDMENT TO HOUSE BILL 2752

2 AMENDMENT NO. _____. Amend House Bill 2752 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Criminal Identification Act is amended by
5 changing Section 12 as follows:

6 20 ILCS 2630/12)

7 Sec. 12. Entry of order; effect of expungement or sealing
8 records.

9 (a) Except with respect to law enforcement agencies, the
10 Department of Corrections, State's Attorneys, or other
11 prosecutors, and as provided in Section 13 of this Act, an
12 expunged or sealed record may not be considered by any private
13 or public entity in employment matters, certification,
14 licensing, revocation of certification or licensure, or
15 registration. Applications for employment must contain
16 specific language which states that the applicant is not

1 obligated to disclose sealed or expunged records of conviction
2 or arrest. The entity authorized to grant a license,
3 certification, or registration shall include, in an
4 application for certification, registration, or licensure,
5 specific language stating that the applicant is not obligated
6 to disclose sealed or expunged records of a conviction or
7 arrest; however, if the inclusion of that language in an
8 application for certification, registration, or licensure is
9 not practical, the entity shall publish on its website
10 instructions specifying that applicants are not obligated to
11 disclose sealed or expunged records of a conviction or arrest.

12 Employers may not ask if an applicant has had records expunged
13 or sealed.

14 (b) A person whose records have been sealed or expunged is
15 not entitled to remission of any fines, costs, or other money
16 paid as a consequence of the sealing or expungement. This
17 amendatory Act of the 93rd General Assembly does not affect the
18 right of the victim of a crime to prosecute or defend a civil
19 action for damages. Persons engaged in civil litigation
20 involving criminal records that have been sealed may petition
21 the court to open the records for the limited purpose of using
22 them in the course of litigation.

23 (Source: P.A. 93-211, eff. 1-1-04; 93-1084, eff. 6-1-05.)

24 Section 10. The Illinois Insurance Code is amended by
25 changing Sections 500-30, 500-70, 1525, and 1555 and by adding

1 Sections 500-76 and 1550 as follows:

2 (215 ILCS 5/500-30)

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

4 Sec. 500-30. Application for license.

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

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

13 (2) has not committed any act that is a ground for
14 denial, suspension, or revocation set forth in Section
15 500-70 or 500-76 or the individual who committed the act
16 has been sufficiently rehabilitated;

17 (3) has completed, if required by the Director, a
18 pre-licensing course of study before the insurance exam for
19 the lines of authority for which the individual has applied
20 (an individual who successfully completes the Fire and
21 Casualty pre-licensing courses also meets the requirements
22 for Personal Lines-Property and Casualty);

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

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

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

| 5 Class of Insurance | Number of |
|--|-----------|
| 6 | Hours |
| 7 Life (Class 1 (a)) | 20 |
| 8 Accident and Health (Class 1(b) or 2(a)) | 20 |
| 9 Fire (Class 3) | 20 |
| 10 Casualty (Class 2) | 20 |
| 11 Personal Lines-Property Casualty | 20 |
| 12 Motor Vehicle (Class 2(b) or 3(e)) | 12.5 |

13 7.5 hours of each pre-licensing course must be completed in
 14 a classroom setting, except Motor Vehicle, which would require
 15 5 hours in a classroom setting.

16 (c) A business entity acting as an insurance producer must
 17 obtain an insurance producer license. Application must be made
 18 using the Uniform Business Entity Application. Before
 19 approving the application, the Director must find that:

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

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

25 (d) The Director may require any documents reasonably
 26 necessary to verify the information contained in an

1 application.

2 (Source: P.A. 96-839, eff. 1-1-10.)

3 (215 ILCS 5/500-70)

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

5 Sec. 500-70. License denial, nonrenewal, or revocation.

6 (a) The Director may place on probation, suspend, revoke,
7 or refuse to issue or renew an insurance producer's license,
8 may issue a license with monitoring requirements, or may levy a
9 civil penalty in accordance with this Section or take any
10 combination of actions, for any one or more of the following
11 causes:

12 (1) providing incorrect, misleading, incomplete, or
13 materially untrue information in the license application;

14 (2) violating any insurance laws, or violating any
15 rule, subpoena, or order of the Director or of another
16 state's insurance commissioner;

17 (3) obtaining or attempting to obtain a license through
18 misrepresentation or fraud;

19 (4) improperly withholding, misappropriating or
20 converting any moneys or properties received in the course
21 of doing insurance business;

22 (5) intentionally misrepresenting the terms of an
23 actual or proposed insurance contract or application for
24 insurance;

25 (6) for licensees, having been convicted of a felony,

1 unless the individual demonstrates to the Director
2 sufficient rehabilitation to warrant the public trust;

3 (7) having admitted or been found to have committed any
4 insurance unfair trade practice or fraud;

5 (8) using fraudulent, coercive, or dishonest
6 practices, or demonstrating incompetence,
7 untrustworthiness or financial irresponsibility in the
8 conduct of business in this State or elsewhere;

9 (9) having an insurance producer license, or its
10 equivalent, denied, suspended, or revoked in any other
11 state, province, district or territory;

12 (10) forging a name to an application for insurance or
13 to a document related to an insurance transaction;

14 (11) improperly using notes or any other reference
15 material to complete an examination for an insurance
16 license;

17 (12) knowingly accepting insurance business from an
18 individual who is not licensed;

19 (13) failing to comply with an administrative or court
20 order imposing a child support obligation;

21 (14) failing to pay state income tax or penalty or
22 interest or comply with any administrative or court order
23 directing payment of state income tax or failed to file a
24 return or to pay any final assessment of any tax due to the
25 Department of Revenue;

26 (15) failing to make satisfactory repayment to the

1 Illinois Student Assistance Commission for a delinquent or
2 defaulted student loan; or

3 (16) failing to comply with any provision of the
4 Viatical Settlements Act of 2009.

5 (b) If the action by the Director is to nonrenew, suspend,
6 or revoke a license or to deny an application for a license,
7 the Director shall notify the applicant or licensee and advise,
8 in writing, the applicant or licensee of the reason for the
9 suspension, revocation, denial or nonrenewal of the
10 applicant's or licensee's license. The applicant or licensee
11 may make written demand upon the Director within 30 days after
12 the date of mailing for a hearing before the Director to
13 determine the reasonableness of the Director's action. The
14 hearing must be held within not fewer than 20 days nor more
15 than 30 days after the mailing of the notice of hearing and
16 shall be held pursuant to 50 Ill. Adm. Code 2402.

17 (c) The license of a business entity may be suspended,
18 revoked, or refused if the Director finds, after hearing, that
19 an individual licensee's violation was known or should have
20 been known by one or more of the partners, officers, or
21 managers acting on behalf of the partnership, corporation,
22 limited liability company, or limited liability partnership
23 and the violation was neither reported to the Director nor
24 corrective action taken.

25 (d) In addition to or instead of any applicable denial,
26 suspension, or revocation of a license, a person may, after

1 hearing, be subject to a civil penalty of up to \$10,000 for
2 each cause for denial, suspension, or revocation, however, the
3 civil penalty may total no more than \$100,000.

4 (e) The Director has the authority to enforce the
5 provisions of and impose any penalty or remedy authorized by
6 this Article against any person who is under investigation for
7 or charged with a violation of this Code or rules even if the
8 person's license or registration has been surrendered or has
9 lapsed by operation of law.

10 (f) Upon the suspension, denial, or revocation of a
11 license, the licensee or other person having possession or
12 custody of the license shall promptly deliver it to the
13 Director in person or by mail. The Director shall publish all
14 suspensions, denials, or revocations after the suspensions,
15 denials, or revocations become final in a manner designed to
16 notify interested insurance companies and other persons.

17 (g) A person whose license is revoked or whose application
18 is denied pursuant to this Section is ineligible to apply for
19 any license for 3 years after the revocation or denial. A
20 person whose license as an insurance producer has been revoked,
21 suspended, or denied may not be employed, contracted, or
22 engaged in any insurance related capacity during the time the
23 revocation, suspension, or denial is in effect.

24 (Source: P.A. 96-736, eff. 7-1-10.)

1 Sec. 500-76. Applicant convictions.

2 (a) The Director and the Department shall not require
3 applicants to report the following information and shall not
4 collect and consider the following criminal history records in
5 connection with an insurance producer license application:

6 (1) Juvenile adjudications of delinquent minors as
7 defined in Section 5-105 of the Juvenile Court Act of 1987,
8 subject to the restrictions set forth in Section 5-130 of
9 that Act.

10 (2) Law enforcement records, court records, and
11 conviction records of an individual who was 17 years old at
12 the time of the offense and before January 1, 2014, unless
13 the nature of the offense required the individual to be
14 tried as an adult.

15 (3) Records of arrest not followed by a charge or
16 conviction.

17 (4) Records of arrest where charges were dismissed
18 unless related to the duties and responsibilities of an
19 insurance producer. However, applicants shall not be asked
20 to report any arrests, and any arrest not followed by a
21 conviction shall not be the basis of a denial and may be
22 used only to assess an applicant's rehabilitation.

23 (5) Convictions overturned by a higher court.

24 (6) Convictions or arrests that have been sealed or
25 expunged.

26 (b) When reviewing a conviction of a felony of the

1 applicant for the purpose of determining whether to grant a
2 license, the Director shall consider any evidence of
3 rehabilitation and mitigating factors contained in the
4 applicant's record, including any of the following:

5 (1) the lack of direct relation of the offense for
6 which the applicant was previously convicted to the duties,
7 functions, and responsibilities of the position for which a
8 license is sought;

9 (2) whether 5 years since a felony conviction or 3
10 years since release from confinement for the conviction,
11 whichever is later, have passed without a subsequent
12 conviction;

13 (3) if the applicant was previously licensed or
14 employed in this State or other states or jurisdictions,
15 then the lack of prior misconduct arising from or related
16 to the licensed position or position of employment;

17 (4) the age of the person at the time of the criminal
18 offense;

19 (5) successful completion of sentence and, for
20 applicants serving a term of parole or probation, a
21 progress report provided by the applicant's probation or
22 parole officer that documents the applicant's compliance
23 with conditions of supervision;

24 (6) evidence of the applicant's present fitness and
25 professional character;

26 (7) evidence of rehabilitation or rehabilitative

1 effort during or after incarceration or during or after a
2 term of supervision, including, but not limited to, a
3 certificate of good conduct under Section 5-5.5-25 of the
4 Unified Code of Corrections or certificate of relief from
5 disabilities under Section 5-5.5-10 of the Unified Code of
6 Corrections; and

7 (8) any other mitigating factors that contribute to the
8 person's potential and current ability to perform the
9 duties and responsibilities of an insurance producer.

10 (c) It is the affirmative obligation of the Director to
11 demonstrate that a prior conviction would impair the ability of
12 the applicant to engage in the licensed practice. If the
13 Director refuses to issue a license to an applicant, then the
14 Director shall notify the applicant of the denial in writing
15 with the following included in the notice of denial:

16 (1) a statement about the decision to refuse to issue a
17 license;

18 (2) a list of the convictions that were the sole or
19 partial basis for the refusal to issue a license;

20 (3) a list of the mitigating evidence presented by the
21 applicant;

22 (4) reasons for refusing to issue a license specific to
23 the evidence presented in mitigation of conviction items
24 that formed the partial or sole basis for the Director's
25 decision; and

26 (5) a summary of the appeal process or the earliest the

1 applicant may reapply for a license, whichever is
2 applicable.

3 (d) No later than May 1 of each year, the Director shall
4 prepare, publicly announce, and publish a report of summary
5 statistical information relating to new and renewal insurance
6 producer license applications during the preceding calendar
7 year. Each report shall show at minimum:

8 (1) the number of applicants for new or renewal license
9 under this Act within the previous calendar year;

10 (2) the number of applicants for new or renewal license
11 under this Act within the previous calendar year who had
12 any criminal conviction;

13 (3) the number of applicants for new or renewal license
14 under this Act in the previous calendar year who were
15 granted a license;

16 (4) the number of applicants for new or renewal license
17 with a criminal conviction who were granted a license under
18 this Act within the previous calendar year;

19 (5) the number of applicants for new or renewal license
20 under this Act within the previous calendar year who were
21 denied a license;

22 (6) the number of applicants for new or renewal license
23 with a criminal conviction who were denied a license under
24 this Act in the previous calendar year in whole or in part
25 because of a prior conviction;

26 (7) the number of licenses without monitoring

1 requirements issued under this Act in the previous calendar
2 year to applicants with a felony conviction; and

3 (8) the number of licenses with monitoring issued under
4 this Act in the previous calendar year to applicants with a
5 felony conviction.

6 (215 ILCS 5/1525)

7 Sec. 1525. Resident license.

8 (a) Before issuing a public adjuster license to an
9 applicant under this Section, the Director shall find that the
10 applicant:

11 (1) is eligible to designate this State as his or her
12 home state or is a nonresident who is not eligible for a
13 license under Section 1540;

14 (2) is sufficiently rehabilitated in cases in which the
15 applicant has ~~not~~ committed any act that is a ground for
16 denial, suspension, or revocation of a license as set forth
17 in Section 1555;

18 (3) is trustworthy, reliable, competent, and of good
19 reputation, evidence of which may be determined by the
20 Director;

21 (4) is financially responsible to exercise the license
22 and has provided proof of financial responsibility as
23 required in Section 1560 of this Article; and

24 (5) maintains an office in the home state of residence
25 with public access by reasonable appointment or regular

1 business hours. This includes a designated office within a
2 home state of residence.

3 (b) In addition to satisfying the requirements of
4 subsection (a) of this Section, an individual shall:

5 (1) be at least 18 years of age;

6 (2) have successfully passed the public adjuster
7 examination;

8 (3) designate a licensed individual public adjuster
9 responsible for the business entity's compliance with the
10 insurance laws, rules, and regulations of this State; and

11 (4) designate only licensed individual public
12 adjusters to exercise the business entity's license.

13 (c) The Director may require any documents reasonably
14 necessary to verify the information contained in the
15 application.

16 (Source: P.A. 96-1332, eff. 1-1-11.)

17 (215 ILCS 5/1550 new)

18 Sec. 1550. Applicant convictions.

19 (a) The Director and the Department shall not require
20 applicants to report the following information and shall not
21 collect or consider the following criminal history records in
22 connection with a public adjuster license application:

23 (1) Juvenile adjudications of delinquent minors as
24 defined in Section 5-105 of the Juvenile Court Act of 1987,
25 subject to the restrictions set forth in Section 5-130 of

1 that Act.

2 (2) Law enforcement records, court records, and
3 conviction records of an individual who was 17 years old at
4 the time of the offense and before January 1, 2014, unless
5 the nature of the offense required the individual to be
6 tried as an adult.

7 (3) Records of arrest not followed by a charge or
8 conviction.

9 (4) Records of arrest where charges were dismissed
10 unless related to the duties and responsibilities of a
11 public adjuster. However, applicants shall not be asked to
12 report any arrests, and any arrest not followed by a
13 conviction shall not be the basis of a denial and may be
14 used only to assess an applicant's rehabilitation.

15 (5) Convictions overturned by a higher court.

16 (6) Convictions or arrests that have been sealed or
17 expunged.

18 (b) When reviewing a conviction of any misdemeanor directly
19 related to the practice of the profession or of any felony of
20 the applicant for the purpose of determining whether to grant a
21 license, the Director shall consider any evidence of
22 rehabilitation and mitigating factors contained in the
23 applicant's record, including any of the following:

24 (1) the lack of direct relation of the offense for
25 which the applicant was previously convicted to the duties,
26 functions, and responsibilities of the position for which a

1 license is sought;

2 (2) the amount of time that has elapsed since the
3 offense occurred;

4 (3) if the applicant was previously licensed or
5 employed in this State or other states or jurisdictions,
6 then the lack of prior misconduct arising from or related
7 to the licensed position or position of employment;

8 (4) whether 5 years since a felony conviction or 3
9 years since release from confinement for the conviction,
10 whichever is later, have passed without a subsequent
11 conviction;

12 (5) successful completion of sentence and, for
13 applicants serving a term of parole or probation, a
14 progress report provided by the applicant's probation or
15 parole officer that documents the applicant's compliance
16 with conditions of supervision;

17 (6) evidence of the applicant's present fitness and
18 professional character;

19 (7) evidence of rehabilitation or rehabilitative
20 effort during or after incarceration or during or after a
21 term of supervision, including, but not limited to, a
22 certificate of good conduct under Section 5-5.5-25 of the
23 Unified Code of Corrections or certificate of relief from
24 disabilities under Section 5-5.5-10 of the Unified Code of
25 Corrections; and

26 (8) any other mitigating factors that contribute to the

1 person's potential and current ability to perform the
2 duties and responsibilities of a public adjuster.

3 (c) It is the affirmative obligation of the Director to
4 demonstrate that a prior conviction would impair the ability of
5 the applicant to engage in the licensed practice. If the
6 Director refuses to issue a license to an applicant, then the
7 Director shall notify the applicant of the denial in writing
8 with the following included in the notice of denial:

9 (1) a statement about the decision to refuse to issue a
10 license;

11 (2) a list of the convictions that were the sole or
12 partial basis for the refusal to issue a license;

13 (3) a list of the mitigating evidence presented by the
14 applicant;

15 (4) reasons for refusing to issue a license specific to
16 the evidence presented in mitigation of conviction items
17 that formed the partial or sole basis for the Director's
18 decision; and

19 (5) a summary of the appeal process or the earliest the
20 applicant may reapply for a license, whichever is
21 applicable.

22 (d) No later than May 1 of each year, the Director shall
23 prepare, publicly announce, and publish a report of summary
24 statistical information relating to new and renewal public
25 adjuster license applications during the preceding calendar
26 year. Each report shall show at minimum:

1 (1) the number of applicants for new or renewal license
2 under this Act within the previous calendar year;

3 (2) the number of applicants for new or renewal license
4 under this Act within the previous calendar year who had
5 any criminal conviction;

6 (3) the number of applicants for new or renewal license
7 under this Act in the previous calendar year who were
8 granted a license;

9 (4) the number of applicants for new or renewal license
10 with a criminal conviction who were granted a license under
11 this Act within the previous calendar year;

12 (5) the number of applicants for new or renewal license
13 under this Act within the previous calendar year who were
14 denied a license;

15 (6) the number of applicants with a criminal conviction
16 who were denied a new or renewal license under this Act in
17 the previous calendar year in whole or in part because of a
18 prior conviction;

19 (7) the number of licenses without monitoring
20 requirements issued under this Act in the previous calendar
21 year to applicants with convictions; and

22 (8) the number of licenses with monitoring issued under
23 this Act in the previous calendar year to applicants with
24 criminal conviction.

1 Sec. 1555. License denial, nonrenewal, or revocation.

2 (a) The Director may place on probation, suspend, revoke,
3 deny, or refuse to issue or renew a public adjuster's license
4 or may levy a civil penalty or issue a license with monitoring
5 requirements or any combination of actions, for any one or more
6 of the following causes:

7 (1) providing incorrect, misleading, incomplete, or
8 materially untrue information in the license application;

9 (2) violating any insurance laws, or violating any
10 regulation, subpoena, or order of the Director or of
11 another state's Director;

12 (3) obtaining or attempting to obtain a license through
13 misrepresentation or fraud;

14 (4) improperly withholding, misappropriating, or
15 converting any monies or properties received in the course
16 of doing insurance business;

17 (5) intentionally misrepresenting the terms of an
18 actual or proposed insurance contract or application for
19 insurance;

20 (6) for licensees, having been convicted of a felony or
21 misdemeanor involving dishonesty or fraud, unless the
22 individual demonstrates to the Director sufficient
23 rehabilitation to warrant the public trust;

24 (7) having admitted or been found to have committed any
25 insurance unfair trade practice or insurance fraud;

26 (8) using fraudulent, coercive, or dishonest

1 practices; or demonstrating incompetence,
2 untrustworthiness, or financial irresponsibility in the
3 conduct of business in this State or elsewhere;

4 (9) having an insurance license or public adjuster
5 license or its equivalent, denied, suspended, or revoked in
6 any other state, province, district, or territory;

7 (10) forging another's name to an application for
8 insurance or to any document related to an insurance
9 transaction;

10 (11) cheating, including improperly using notes or any
11 other reference material, to complete an examination for an
12 insurance license or public adjuster license;

13 (12) knowingly accepting insurance business from or
14 transacting business with an individual who is not licensed
15 but who is required to be licensed by the Director;

16 (13) failing to comply with an administrative or court
17 order imposing a child support obligation;

18 (14) failing to pay State income tax or comply with any
19 administrative or court order directing payment of State
20 income tax;

21 (15) failing to comply with or having violated any of
22 the standards set forth in Section 1590 of this Law; or

23 (16) failing to maintain the records required by
24 Section 1585 of this Law.

25 (b) If the action by the Director is to nonrenew, suspend,
26 or revoke a license or to deny an application for a license,

1 the Director shall notify the applicant or licensee and advise,
2 in writing, the applicant or licensee of the reason for the
3 suspension, revocation, denial, or nonrenewal of the
4 applicant's or licensee's license. The applicant or licensee
5 may make written demand upon the Director within 30 days after
6 the date of mailing for a hearing before the Director to
7 determine the reasonableness of the Director's action. The
8 hearing must be held within not fewer than 20 days nor more
9 than 30 days after the mailing of the notice of hearing and
10 shall be held pursuant to 50 Ill. Adm. Code 2402.

11 (c) The license of a business entity may be suspended,
12 revoked, or refused if the Director finds, after hearing, that
13 an individual licensee's violation was known or should have
14 been known by one or more of the partners, officers, or
15 managers acting on behalf of the business entity and the
16 violation was neither reported to the Director, nor corrective
17 action taken.

18 (d) In addition to or in lieu of any applicable denial,
19 suspension or revocation of a license, a person may, after
20 hearing, be subject to a civil penalty. In addition to or
21 instead of any applicable denial, suspension, or revocation of
22 a license, a person may, after hearing, be subject to a civil
23 penalty of up to \$10,000 for each cause for denial, suspension,
24 or revocation, however, the civil penalty may total no more
25 than \$100,000.

26 (e) The Director shall retain the authority to enforce the

1 provisions of and impose any penalty or remedy authorized by
2 this Article against any person who is under investigation for
3 or charged with a violation of this Article even if the
4 person's license or registration has been surrendered or has
5 lapsed by operation of law.

6 (f) Any individual whose public adjuster's license is
7 revoked or whose application is denied pursuant to this Section
8 shall be ineligible to apply for a public adjuster's license
9 for 5 years. A suspension pursuant to this Section may be for
10 any period of time up to 5 years.

11 (Source: P.A. 96-1332, eff. 1-1-11.)

12 Section 99. Effective date. This Act takes effect January
13 1, 2018.".