

1 AN ACT concerning regulation.

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

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
17 obligated to disclose sealed or expunged records of conviction
18 or arrest. The entity authorized to grant a license,
19 certification, or registration shall include, in an
20 application for certification, registration, or licensure,
21 specific language stating that the applicant is not obligated
22 to disclose sealed or expunged records of a conviction or
23 arrest; however, if the inclusion of that language in an

1 application for certification, registration, or licensure is
2 not practical, the entity shall publish on its website
3 instructions specifying that applicants are not obligated to
4 disclose sealed or expunged records of a conviction or arrest.

5 Employers may not ask if an applicant has had records expunged
6 or sealed.

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

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

17 Section 10. The Illinois Insurance Code is amended by
18 changing Sections 500-30, 500-70, 1525, and 1555 and by adding
19 Sections 500-76 and 1550 as follows:

20 (215 ILCS 5/500-30)

21 (Section scheduled to be repealed on January 1, 2027)

22 Sec. 500-30. Application for license.

23 (a) An individual applying for a resident insurance
24 producer license must make application on a form specified by

1 the Director and declare under penalty of refusal, suspension,
 2 or revocation of the license that the statements made in the
 3 application are true, correct, and complete to the best of the
 4 individual's knowledge and belief. Before approving the
 5 application, the Director must find that the individual:

- 6 (1) is at least 18 years of age;
- 7 (2) has not committed any act that is a ground for
 8 denial, suspension, or revocation set forth in Section
 9 500-70 or 500-76 or the individual who committed the act
 10 has been sufficiently rehabilitated;
- 11 (3) has completed, if required by the Director, a
 12 pre-licensing course of study before the insurance exam for
 13 the lines of authority for which the individual has applied
 14 (an individual who successfully completes the Fire and
 15 Casualty pre-licensing courses also meets the requirements
 16 for Personal Lines-Property and Casualty);
- 17 (4) has paid the fees set forth in Section 500-135; and
- 18 (5) has successfully passed the examinations for the
 19 lines of authority for which the person has applied.

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

24 Class of Insurance	Number of
	25 Hours
26 Life (Class 1 (a))	20

1	Accident and Health (Class 1(b) or 2(a))	20
2	Fire (Class 3)	20
3	Casualty (Class 2)	20
4	Personal Lines-Property Casualty	20
5	Motor Vehicle (Class 2(b) or 3(e))	12.5

6 7.5 hours of each pre-licensing course must be completed in
7 a classroom setting, except Motor Vehicle, which would require
8 5 hours in a classroom setting.

9 (c) A business entity acting as an insurance producer must
10 obtain an insurance producer license. Application must be made
11 using the Uniform Business Entity Application. Before
12 approving the application, the Director must find that:

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

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

18 (d) The Director may require any documents reasonably
19 necessary to verify the information contained in an
20 application.

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

22 (215 ILCS 5/500-70)

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

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

25 (a) The Director may place on probation, suspend, revoke,

1 or refuse to issue or renew an insurance producer's license,
2 may issue a license with monitoring requirements, or may levy a
3 civil penalty in accordance with this Section or take any
4 combination of actions, for any one or more of the following
5 causes:

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

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

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

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

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

19 (6) for licensees, having been convicted of a felony,
20 unless the individual demonstrates to the Director
21 sufficient rehabilitation to warrant the public trust;

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

24 (8) using fraudulent, coercive, or dishonest
25 practices, or demonstrating incompetence,
26 untrustworthiness or financial irresponsibility in the

1 conduct of business in this State or elsewhere;

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

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

7 (11) improperly using notes or any other reference
8 material to complete an examination for an insurance
9 license;

10 (12) knowingly accepting insurance business from an
11 individual who is not licensed;

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

14 (14) failing to pay state income tax or penalty or
15 interest or comply with any administrative or court order
16 directing payment of state income tax or failed to file a
17 return or to pay any final assessment of any tax due to the
18 Department of Revenue;

19 (15) failing to make satisfactory repayment to the
20 Illinois Student Assistance Commission for a delinquent or
21 defaulted student loan; or

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

24 (b) If the action by the Director is to nonrenew, suspend,
25 or revoke a license or to deny an application for a license,
26 the Director shall notify the applicant or licensee and advise,

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

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

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

23 (e) The Director has the authority to enforce the
24 provisions of and impose any penalty or remedy authorized by
25 this Article against any person who is under investigation for
26 or charged with a violation of this Code or rules even if the

1 person's license or registration has been surrendered or has
2 lapsed by operation of law.

3 (f) Upon the suspension, denial, or revocation of a
4 license, the licensee or other person having possession or
5 custody of the license shall promptly deliver it to the
6 Director in person or by mail. The Director shall publish all
7 suspensions, denials, or revocations after the suspensions,
8 denials, or revocations become final in a manner designed to
9 notify interested insurance companies and other persons.

10 (g) A person whose license is revoked or whose application
11 is denied pursuant to this Section is ineligible to apply for
12 any license for 3 years after the revocation or denial. A
13 person whose license as an insurance producer has been revoked,
14 suspended, or denied may not be employed, contracted, or
15 engaged in any insurance related capacity during the time the
16 revocation, suspension, or denial is in effect.

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

18 (215 ILCS 5/500-76 new)

19 Sec. 500-76. Applicant convictions.

20 (a) The Director and the Department shall not require
21 applicants to report the following information and shall not
22 collect and consider the following criminal history records in
23 connection with an insurance producer license application:

24 (1) Juvenile adjudications of delinquent minors as
25 defined in Section 5-105 of the Juvenile Court Act of 1987,

1 subject to the restrictions set forth in Section 5-130 of
2 that Act.

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

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

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

16 (5) Convictions overturned by a higher court.

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

19 (b) When reviewing a conviction of a felony of the
20 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) whether 5 years since a felony conviction or 3
3 years since release from confinement for the conviction,
4 whichever is later, have passed without a subsequent
5 conviction;

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

10 (4) the age of the person at the time of the criminal
11 offense;

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 an insurance producer.

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 insurance
25 producer 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 for new or renewal license
16 with a criminal conviction who were denied a license under
17 this Act in the previous calendar year in whole or in part
18 because of a 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 a felony conviction; and

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

1 Sec. 1525. Resident license.

2 (a) Before issuing a public adjuster license to an
3 applicant under this Section, the Director shall find that the
4 applicant:

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

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

12 (3) is trustworthy, reliable, competent, and of good
13 reputation, evidence of which may be determined by the
14 Director;

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

18 (5) maintains an office in the home state of residence
19 with public access by reasonable appointment or regular
20 business hours. This includes a designated office within a
21 home state of residence.

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

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

25 (2) have successfully passed the public adjuster
26 examination;

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

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

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

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

10 (215 ILCS 5/1550 new)

11 Sec. 1550. Applicant convictions.

12 (a) The Director and the Department shall not require
13 applicants to report the following information and shall not
14 collect or consider the following criminal history records in
15 connection with a public adjuster license application:

16 (1) Juvenile adjudications of delinquent minors as
17 defined in Section 5-105 of the Juvenile Court Act of 1987,
18 subject to the restrictions set forth in Section 5-130 of
19 that Act.

20 (2) Law enforcement records, court records, and
21 conviction records of an individual who was 17 years old at
22 the time of the offense and before January 1, 2014, unless
23 the nature of the offense required the individual to be
24 tried as an adult.

25 (3) Records of arrest not followed by a charge or

1 conviction.

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

8 (5) Convictions overturned by a higher court.

9 (6) Convictions or arrests that have been sealed or
10 expunged.

11 (b) When reviewing a conviction of any misdemeanor directly
12 related to the practice of the profession or of any felony of
13 the applicant for the purpose of determining whether to grant a
14 license, the Director shall consider any evidence of
15 rehabilitation and mitigating factors contained in the
16 applicant's record, including any of the following:

17 (1) the lack of direct relation of the offense for
18 which the applicant was previously convicted to the duties,
19 functions, and responsibilities of the position for which a
20 license is sought;

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

23 (3) if the applicant was previously licensed or
24 employed in this State or other states or jurisdictions,
25 then the lack of prior misconduct arising from or related
26 to the licensed position or position of employment;

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

5 (5) successful completion of sentence and, for
6 applicants serving a term of parole or probation, a
7 progress report provided by the applicant's probation or
8 parole officer that documents the applicant's compliance
9 with conditions of supervision;

10 (6) evidence of the applicant's present fitness and
11 professional character;

12 (7) evidence of rehabilitation or rehabilitative
13 effort during or after incarceration or during or after a
14 term of supervision, including, but not limited to, a
15 certificate of good conduct under Section 5-5.5-25 of the
16 Unified Code of Corrections or certificate of relief from
17 disabilities under Section 5-5.5-10 of the Unified Code of
18 Corrections; and

19 (8) any other mitigating factors that contribute to the
20 person's potential and current ability to perform the
21 duties and responsibilities of a public adjuster.

22 (c) It is the affirmative obligation of the Director to
23 demonstrate that a prior conviction would impair the ability of
24 the applicant to engage in the licensed practice. If the
25 Director refuses to issue a license to an applicant, then the
26 Director shall notify the applicant of the denial in writing

1 with the following included in the notice of denial:

2 (1) a statement about the decision to refuse to issue a
3 license;

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

6 (3) a list of the mitigating evidence presented by the
7 applicant;

8 (4) reasons for refusing to issue a license specific to
9 the evidence presented in mitigation of conviction items
10 that formed the partial or sole basis for the Director's
11 decision; and

12 (5) a summary of the appeal process or the earliest the
13 applicant may reapply for a license, whichever is
14 applicable.

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

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

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

25 (3) the number of applicants for new or renewal license
26 under this Act in the previous calendar year who were

1 granted a license;

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

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

8 (6) the number of applicants with a criminal conviction
9 who were denied a new or renewal license under this Act in
10 the previous calendar year in whole or in part because of a
11 prior conviction;

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

15 (8) the number of licenses with monitoring issued under
16 this Act in the previous calendar year to applicants with
17 criminal conviction.

18 (215 ILCS 5/1555)

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

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

25 (1) providing incorrect, misleading, incomplete, or

1 materially untrue information in the license application;

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

5 (3) obtaining or attempting to obtain a license through
6 misrepresentation or fraud;

7 (4) improperly withholding, misappropriating, or
8 converting any monies or properties received in the course
9 of doing insurance business;

10 (5) intentionally misrepresenting the terms of an
11 actual or proposed insurance contract or application for
12 insurance;

13 (6) for licensees, having been convicted of a felony or
14 misdemeanor involving dishonesty or fraud, unless the
15 individual demonstrates to the Director sufficient
16 rehabilitation to warrant the public trust;

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

19 (8) using fraudulent, coercive, or dishonest
20 practices; or demonstrating incompetence,
21 untrustworthiness, or financial irresponsibility in the
22 conduct of business in this State or elsewhere;

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

26 (10) forging another's name to an application for

1 insurance or to any document related to an insurance
2 transaction;

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

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

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

11 (14) failing to pay State income tax or comply with any
12 administrative or court order directing payment of State
13 income tax;

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

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

18 (b) If the action by the Director is to nonrenew, suspend,
19 or revoke a license or to deny an application for a license,
20 the Director shall notify the applicant or licensee and advise,
21 in writing, the applicant or licensee of the reason for the
22 suspension, revocation, denial, or nonrenewal of the
23 applicant's or licensee's license. The applicant or licensee
24 may make written demand upon the Director within 30 days after
25 the date of mailing for a hearing before the Director to
26 determine the reasonableness of the Director's action. The

1 hearing must be held within not fewer than 20 days nor more
2 than 30 days after the mailing of the notice of hearing and
3 shall be held pursuant to 50 Ill. Adm. Code 2402.

4 (c) The license of a business entity may be suspended,
5 revoked, or refused if the Director finds, after hearing, that
6 an individual licensee's violation was known or should have
7 been known by one or more of the partners, officers, or
8 managers acting on behalf of the business entity and the
9 violation was neither reported to the Director, nor corrective
10 action taken.

11 (d) In addition to or in lieu of any applicable denial,
12 suspension or revocation of a license, a person may, after
13 hearing, be subject to a civil penalty. In addition to or
14 instead of any applicable denial, suspension, or revocation of
15 a license, a person may, after hearing, be subject to a civil
16 penalty of up to \$10,000 for each cause for denial, suspension,
17 or revocation, however, the civil penalty may total no more
18 than \$100,000.

19 (e) The Director shall retain the authority to enforce the
20 provisions of and impose any penalty or remedy authorized by
21 this Article against any person who is under investigation for
22 or charged with a violation of this Article even if the
23 person's license or registration has been surrendered or has
24 lapsed by operation of law.

25 (f) Any individual whose public adjuster's license is
26 revoked or whose application is denied pursuant to this Section

1 shall be ineligible to apply for a public adjuster's license
2 for 5 years. A suspension pursuant to this Section may be for
3 any period of time up to 5 years.

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

5 Section 99. Effective date. This Act takes effect January
6 1, 2018.