

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 Illinois Insurance Code is amended by adding
5 Section 401.3 and by changing Section 500-35 as follows:

6 (215 ILCS 5/401.3 new)

7 Sec. 401.3. Advisory council; powers and duties. There is
8 created within the Department an advisory council to review and
9 make recommendations to the Department regarding rules to be
10 adopted with respect to continuing education courses for which
11 the approval of the Department is required under the provisions
12 of this Code. In addition, the advisory council shall make
13 recommendations to the Department regarding rules with respect
14 to course materials, curriculum, and credentials of
15 instructors.

16 The advisory council shall be comprised of 7 members
17 appointed by the Director. One member shall be an educational
18 instructor who has regularly provided educational offerings
19 for more than 5 out of the last 10 years to individuals
20 licensed under this Code. Three members shall be recommended by
21 the leadership of 3 statewide trade organizations whose
22 memberships are primarily composed of individuals licensed
23 under this Code, none of which may come from the same

1 organization. Three members shall represent a domestic
2 company.

3 The members' terms shall be 3 years or until their
4 successors are appointed, and the expiration of their terms
5 shall be staggered. No individual may serve more than 3
6 consecutive terms.

7 The Director shall appoint an employee of the Department to
8 serve as the chairperson of the advisory council, ex officio,
9 without a vote.

10 Four voting advisory council members shall constitute a
11 quorum. A quorum is necessary for all advisory council
12 decisions and recommendations.

13 (215 ILCS 5/500-35)

14 (Section scheduled to be repealed on January 1, 2027)

15 Sec. 500-35. License.

16 (a) Unless denied a license pursuant to Section 500-70,
17 persons who have met the requirements of Sections 500-25 and
18 500-30 shall be issued a 2-year insurance producer license. An
19 insurance producer may receive qualification for a license in
20 one or more of the following lines of authority:

21 (1) Life: insurance coverage on human lives including
22 benefits of endowment and annuities, and may include
23 benefits in the event of death or dismemberment by accident
24 and benefits for disability income.

25 (2) Variable life and variable annuity products:

1 insurance coverage provided under variable life insurance
2 contracts and variable annuities.

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

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

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

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

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

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

20 (1) Before each license renewal, an insurance producer
21 must satisfactorily complete at least 24 hours of course
22 study in accordance with rules prescribed by the Director.
23 Three of the 24 hours of course study must consist of
24 classroom or webinar ethics instruction. The Director may
25 not approve a course of study unless the course provides
26 for classroom, seminar, webinar, or self-study instruction

1 methods. A course given in a combination instruction method
2 of classroom, seminar, webinar, or self-study shall be
3 deemed to be a self-study course unless the classroom,
4 seminar, or webinar certified hours meets or exceeds
5 two-thirds of total hours certified for the course. The
6 self-study material used in the combination course must be
7 directly related to and complement the classroom portion of
8 the course in order to be considered for credit. An
9 instruction method other than classroom or seminar shall be
10 considered as self-study methodology. Self-study credit
11 hours require the successful completion of an examination
12 covering the self-study material. The examination may not
13 be self-evaluated. However, if the self-study material is
14 completed through the use of an approved computerized
15 interactive format whereby the computer validates the
16 successful completion of the self-study material, no
17 additional examination is required. The self-study credit
18 hours contained in a certified course shall be considered
19 classroom hours when at least two-thirds of the hours are
20 given as classroom or seminar instruction.

21 (2) An insurance producer license automatically
22 terminates when an insurance producer fails to
23 successfully meet the requirements of item (1) of
24 subsection (b) of this Section. The producer must complete
25 the course in advance of the renewal date to allow the
26 education provider time to report the credit to the

1 Department.

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

6 (d) An individual insurance producer who allows his or her
7 license to lapse may, within 12 months after the due date of
8 the renewal fee, be issued a license without the necessity of
9 passing a written examination. However, a penalty in the amount
10 of double the unpaid renewal fee shall be required after the
11 due date.

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

15 (f) The license must contain the licensee's name, address,
16 and personal identification number, the date of issuance, the
17 lines of authority, the expiration date, and any other
18 information the Director deems necessary.

19 (g) Licensees must inform the Director by any means
20 acceptable to the Director of a change of address within 30
21 days after the change.

22 (h) In order to assist in the performance of the Director's
23 duties, the Director may contract with a non-governmental
24 entity including the National Association of Insurance
25 Commissioners (NAIC), or any affiliates or subsidiaries that
26 the NAIC oversees, to perform any ministerial functions,

1 including collection of fees, related to producer licensing
2 that the Director and the non-governmental entity may deem
3 appropriate.

4 (Source: P.A. 96-839, eff. 1-1-10; 97-113, eff. 7-14-11.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.