

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 Freedom of Information Act is amended by
5 changing Section 7.5 as follows:

6 (5 ILCS 140/7.5)

7 Sec. 7.5. Statutory exemptions. To the extent provided for
8 by the statutes referenced below, the following shall be exempt
9 from inspection and copying:

10 (a) All information determined to be confidential
11 under Section 4002 of the Technology Advancement and
12 Development Act.

13 (b) Library circulation and order records identifying
14 library users with specific materials under the Library
15 Records Confidentiality Act.

16 (c) Applications, related documents, and medical
17 records received by the Experimental Organ Transplantation
18 Procedures Board and any and all documents or other records
19 prepared by the Experimental Organ Transplantation
20 Procedures Board or its staff relating to applications it
21 has received.

22 (d) Information and records held by the Department of
23 Public Health and its authorized representatives relating

1 to known or suspected cases of sexually transmissible
2 disease or any information the disclosure of which is
3 restricted under the Illinois Sexually Transmissible
4 Disease Control Act.

5 (e) Information the disclosure of which is exempted
6 under Section 30 of the Radon Industry Licensing Act.

7 (f) Firm performance evaluations under Section 55 of
8 the Architectural, Engineering, and Land Surveying
9 Qualifications Based Selection Act.

10 (g) Information the disclosure of which is restricted
11 and exempted under Section 50 of the Illinois Prepaid
12 Tuition Act.

13 (h) Information the disclosure of which is exempted
14 under the State Officials and Employees Ethics Act, and
15 records of any lawfully created State or local inspector
16 general's office that would be exempt if created or
17 obtained by an Executive Inspector General's office under
18 that Act.

19 (i) Information contained in a local emergency energy
20 plan submitted to a municipality in accordance with a local
21 emergency energy plan ordinance that is adopted under
22 Section 11-21.5-5 of the Illinois Municipal Code.

23 (j) Information and data concerning the distribution
24 of surcharge moneys collected and remitted by carriers
25 under the Emergency Telephone System Act.

26 (k) Law enforcement officer identification information

1 or driver identification information compiled by a law
2 enforcement agency or the Department of Transportation
3 under Section 11-212 of the Illinois Vehicle Code.

4 (l) Records and information provided to a residential
5 health care facility resident sexual assault and death
6 review team or the Executive Council under the Abuse
7 Prevention Review Team Act.

8 (m) Information provided to the predatory lending
9 database created pursuant to Article 3 of the Residential
10 Real Property Disclosure Act, except to the extent
11 authorized under that Article.

12 (n) Defense budgets and petitions for certification of
13 compensation and expenses for court appointed trial
14 counsel as provided under Sections 10 and 15 of the Capital
15 Crimes Litigation Act. This subsection (n) shall apply
16 until the conclusion of the trial of the case, even if the
17 prosecution chooses not to pursue the death penalty prior
18 to trial or sentencing.

19 (o) Information that is prohibited from being
20 disclosed under Section 4 of the Illinois Health and
21 Hazardous Substances Registry Act.

22 (p) Security portions of system safety program plans,
23 investigation reports, surveys, schedules, lists, data, or
24 information compiled, collected, or prepared by or for the
25 Regional Transportation Authority under Section 2.11 of
26 the Regional Transportation Authority Act or the St. Clair

1 County Transit District under the Bi-State Transit Safety
2 Act.

3 (q) Information prohibited from being disclosed by the
4 Personnel Record Review Act.

5 (r) Information prohibited from being disclosed by the
6 Illinois School Student Records Act.

7 (s) Information the disclosure of which is restricted
8 under Section 5-108 of the Public Utilities Act.

9 (t) All identified or deidentified health information
10 in the form of health data or medical records contained in,
11 stored in, submitted to, transferred by, or released from
12 the Illinois Health Information Exchange, and identified
13 or deidentified health information in the form of health
14 data and medical records of the Illinois Health Information
15 Exchange in the possession of the Illinois Health
16 Information Exchange Authority due to its administration
17 of the Illinois Health Information Exchange. The terms
18 "identified" and "deidentified" shall be given the same
19 meaning as in the Health Insurance Portability and
20 Accountability Act of 1996, Public Law 104-191, or any
21 subsequent amendments thereto, and any regulations
22 promulgated thereunder.

23 (u) Records and information provided to an independent
24 team of experts under the Developmental Disability and
25 Mental Health Safety Act (also known as Brian's Law).

26 (v) Names and information of people who have applied

1 for or received Firearm Owner's Identification Cards under
2 the Firearm Owners Identification Card Act or applied for
3 or received a concealed carry license under the Firearm
4 Concealed Carry Act, unless otherwise authorized by the
5 Firearm Concealed Carry Act; and databases under the
6 Firearm Concealed Carry Act, records of the Concealed Carry
7 Licensing Review Board under the Firearm Concealed Carry
8 Act, and law enforcement agency objections under the
9 Firearm Concealed Carry Act.

10 (w) Personally identifiable information which is
11 exempted from disclosure under subsection (g) of Section
12 19.1 of the Toll Highway Act.

13 (x) Information which is exempted from disclosure
14 under Section 5-1014.3 of the Counties Code or Section
15 8-11-21 of the Illinois Municipal Code.

16 (y) Confidential information under the Adult
17 Protective Services Act and its predecessor enabling
18 statute, the Elder Abuse and Neglect Act, including
19 information about the identity and administrative finding
20 against any caregiver of a verified and substantiated
21 decision of abuse, neglect, or financial exploitation of an
22 eligible adult maintained in the Registry established
23 under Section 7.5 of the Adult Protective Services Act.

24 (z) Records and information provided to a fatality
25 review team or the Illinois Fatality Review Team Advisory
26 Council under Section 15 of the Adult Protective Services

1 Act.

2 (aa) Information which is exempted from disclosure
3 under Section 2.37 of the Wildlife Code.

4 (bb) Information which is or was prohibited from
5 disclosure by the Juvenile Court Act of 1987.

6 (cc) Recordings made under the Law Enforcement
7 Officer-Worn Body Camera Act, except to the extent
8 authorized under that Act.

9 (dd) Information that is prohibited from being
10 disclosed under Section 45 of the Condominium and Common
11 Interest Community Ombudsperson Act.

12 (ee) Information that is exempted from disclosure
13 under Section 30.1 of the Pharmacy Practice Act.

14 (ff) Information that is exempted from disclosure
15 under the Revised Uniform Unclaimed Property Act.

16 (gg) Information that is prohibited from being
17 disclosed under Section 7-603.5 of the Illinois Vehicle
18 Code.

19 (hh) Records that are exempt from disclosure under
20 Section 1A-16.7 of the Election Code.

21 (ii) Information which is exempted from disclosure
22 under Section 2505-800 of the Department of Revenue Law of
23 the Civil Administrative Code of Illinois.

24 (jj) Information and reports that are required to be
25 submitted to the Department of Labor by registering day and
26 temporary labor service agencies but are exempt from

1 disclosure under subsection (a-1) of Section 45 of the Day
2 and Temporary Labor Services Act.

3 (kk) Information prohibited from disclosure under the
4 Seizure and Forfeiture Reporting Act.

5 (ll) Information the disclosure of which is restricted
6 and exempted under Section 5-30.8 of the Illinois Public
7 Aid Code.

8 (mm) Records that are exempt from disclosure under
9 Section 4.2 of the Crime Victims Compensation Act.

10 (nn) Information that is exempt from disclosure under
11 Section 70 of the Higher Education Student Assistance Act.

12 (oo) Communications, notes, records, and reports
13 arising out of a peer support counseling session prohibited
14 from disclosure under the First Responders Suicide
15 Prevention Act.

16 (pp) Names and all identifying information relating to
17 an employee of an emergency services provider or law
18 enforcement agency under the First Responders Suicide
19 Prevention Act.

20 (qq) ~~(oo)~~ Information and records held by the
21 Department of Public Health and its authorized
22 representatives collected under the Reproductive Health
23 Act.

24 (rr) ~~(oo)~~ Information that is exempt from disclosure
25 under the Cannabis Regulation and Tax Act.

26 (ss) ~~(oo)~~ Data reported by an employer to the

1 Department of Human Rights pursuant to Section 2-108 of the
2 Illinois Human Rights Act.

3 (tt) ~~(oo)~~ Recordings made under the Children's
4 Advocacy Center Act, except to the extent authorized under
5 that Act.

6 (uu) ~~(oo)~~ Information that is exempt from disclosure
7 under Section 50 of the Sexual Assault Evidence Submission
8 Act.

9 (vv) ~~(oo)~~ Information that is exempt from disclosure
10 under subsections (f) and (j) of Section 5-36 of the
11 Illinois Public Aid Code.

12 (ww) ~~(oo)~~ Information that is exempt from disclosure
13 under Section 16.8 of the State Treasurer Act.

14 (xx) Information that is exempt from disclosure or
15 information that shall not be made public under the
16 Illinois Insurance Code.

17 (Source: P.A. 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
18 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
19 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517,
20 eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19;
21 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; 101-13, eff.
22 6-12-19; 101-27, eff. 6-25-19; 101-81, eff. 7-12-19; 101-221,
23 eff. 1-1-20; 101-236, eff. 1-1-20; 101-375, eff. 8-16-19;
24 101-377, eff. 8-16-19; 101-452, eff. 1-1-20; 101-466, eff.
25 1-1-20; revised 9-25-19.)

1 Section 10. The Illinois Insurance Code is amended by
2 adding Article VIII.33 as follows:

3 (215 ILCS 5/Art. VIII.33 heading new)

4 ARTICLE VIII 1/3. Corporate Governance Annual Disclosure Law

5 (215 ILCS 5/130.1 new)

6 Sec. 130.1. Short title. This Article may be cited as the
7 Corporate Governance Annual Disclosure Law.

8 (215 ILCS 5/130.2 new)

9 Sec. 130.2. Purpose and scope. The purpose of this Article
10 is to:

11 (1) provide the Director a summary of an insurer's or
12 insurance group's corporate governance structure,
13 policies, and practices to permit the Director to gain and
14 maintain an understanding of the insurer's corporate
15 governance framework;

16 (2) outline the requirements for completing a
17 corporate governance annual disclosure with the Director;

18 (3) provide for the confidential treatment of the
19 corporate governance annual disclosure and related
20 information that will contain confidential and sensitive
21 information related to an insurer's or insurance group's
22 internal operations and proprietary and trade-secret
23 information that, if made public, could potentially cause

1 the insurer or insurance group competitive harm or
2 disadvantage.

3 Nothing in this Article shall be construed to prescribe or
4 impose corporate governance standards and internal procedures
5 beyond that which is required under applicable State corporate
6 law. Notwithstanding the foregoing, nothing in this Article
7 shall be construed to limit the Director's authority or the
8 rights or obligations of third parties under Sections 131.21,
9 132 through 132.7, and 401 through 403. The requirements of
10 this Article apply to all insurers domiciled in this State.

11 (215 ILCS 5/130.3 new)

12 Sec. 130.3. Definitions. As used in this Article:

13 "Director" means the Director of Insurance.

14 "Corporate governance annual disclosure" means a
15 confidential report filed by the insurer or insurance group
16 made in accordance with the requirements of this Article.

17 "Insurance group" means those insurers and affiliates
18 included within an insurance holding company system as defined
19 in Section 131.1.

20 "Insurer" has the same meaning given to that term in
21 Section 2, except that it does not include agencies,
22 authorities, or instrumentalities of the United States, its
23 possessions and territories, the Commonwealth of Puerto Rico,
24 the District of Columbia, or a state or political subdivision
25 of a state.

1 "ORSA summary report" means the own risk and solvency
2 assessment report filed in accordance with Article VIII 1/4.

3 (215 ILCS 5/130.4 new)

4 Sec. 130.4. Disclosure requirement.

5 (a) An insurer, or the insurance group of which the insurer
6 is a member, shall, no later than June 1 of each calendar year,
7 submit to the Director a corporate governance annual disclosure
8 that contains the information described in subsection (b) of
9 Section 130.5. Notwithstanding any request from the Director
10 made pursuant to subsection (c), if the insurer is a member of
11 an insurance group, the insurer shall submit the report
12 required by this Section to the Director of the lead state for
13 the insurance group, in accordance with the laws of the lead
14 state, as determined by the procedures outlined in the most
15 recent Financial Analysis Handbook adopted by the National
16 Association of Insurance Commissioners.

17 (b) The corporate governance annual disclosure must
18 include a signature of the insurer's or insurance group's chief
19 executive officer or corporate secretary attesting to the best
20 of that individual's belief and knowledge that the insurer has
21 implemented the corporate governance practices required by
22 this Section and that a copy of the disclosure has been
23 provided to the insurer's board of directors or the appropriate
24 committee thereof.

25 (c) An insurer not required to submit a corporate

1 governance annual disclosure under this Section shall do so
2 upon the Director's request.

3 (d) For purposes of completing the corporate governance
4 annual disclosure, the insurer or insurance group may provide
5 information regarding corporate governance at the ultimate
6 controlling parent level, an intermediate holding company
7 level, or the individual legal entity level, depending upon how
8 the insurer or insurance group has structured its system of
9 corporate governance. The insurer or insurance group is
10 encouraged to make the corporate governance annual disclosure
11 at the level at which the insurer's or insurance group's risk
12 appetite is determined, the level at which the earnings,
13 capital, liquidity, operations, and reputation of the insurer
14 are overseen collectively and at which the supervision of those
15 factors is coordinated and exercised, or the level at which
16 legal liability for failure of general corporate governance
17 duties would be placed. If the insurer or insurance group
18 determines the level of reporting based on these criteria, it
19 shall indicate which of the 3 criteria was used to determine
20 the level of reporting and explain any subsequent changes in
21 the level of reporting.

22 (e) The review of the corporate governance annual
23 disclosure and any additional requests for information shall be
24 made through the lead state as determined by the procedures
25 within the most recent Financial Analysis Handbook adopted by
26 the National Association of Insurance Commissioners.

1 (f) Insurers providing information substantially similar
2 to the information required by this Article in other documents
3 provided to the Director, including proxy statements filed in
4 conjunction with the requirements of Section 131.13 or other
5 State or federal filings provided to the Department, are not
6 required to duplicate that information in the corporate
7 governance annual disclosure but are only required to
8 cross-reference the document in which the information is
9 included.

10 (215 ILCS 5/130.5 new)

11 Sec. 130.5. Contents of corporate governance annual
12 disclosure.

13 (a) The insurer or insurance group has discretion over the
14 responses to the corporate governance annual disclosure
15 inquiries if the corporate governance annual disclosure
16 contains the material information necessary to permit the
17 Director to gain an understanding of the insurer's or insurance
18 group's corporate governance structure, policies, and
19 practices. The Director may request additional information
20 that he or she deems material and necessary to provide the
21 Director with a clear understanding of the corporate governance
22 policies, the reporting or information system, or controls
23 implementing those policies.

24 (b) Notwithstanding subsection (a), the corporate
25 governance annual disclosure shall be prepared in a manner

1 consistent with rules adopted by the Director. Documentation
2 and supporting information shall be maintained and made
3 available upon examination or upon the request of the Director.

4 (c) The Director may retain, at the insurer's expense,
5 third-party consultants, including attorneys, actuaries,
6 accountants, and other experts not otherwise a part of the
7 Director's staff, as may be reasonably necessary to assist the
8 Director in reviewing the corporate governance annual
9 disclosure and related information or the insurer's compliance
10 with this Article. Any persons retained shall be under the
11 direction and control of the Director and shall act only in an
12 advisory capacity.

13 (215 ILCS 5/130.6 new)

14 Sec. 130.6. Confidentiality.

15 (a) Documents, materials, or other information, including
16 the corporate governance annual disclosure, in the possession
17 or control of the Department that are obtained by, created by,
18 or disclosed to the Director or any other person under this
19 Article are recognized by this State as being proprietary and
20 to contain trade secrets. All such documents, materials, or
21 other information shall be confidential by law and privileged,
22 shall not be subject to the Freedom of Information Act, shall
23 not be subject to subpoena, and shall not be subject to
24 discovery or admissible in evidence in any private civil
25 action. However, the Director is authorized to use the

1 documents, materials, or other information in furtherance of
2 any regulatory or legal action brought as a part of the
3 Director's official duties. The Director shall not otherwise
4 make the documents, materials, or other information public
5 without the prior written consent of the insurer.

6 (b) Neither the Director nor any person who received
7 documents, materials, or other corporate governance annual
8 disclosure-related information through examination or
9 otherwise, while acting under the authority of the Director or
10 with whom such documents, materials, or other information are
11 shared pursuant to this Article, shall be permitted or required
12 to testify in any private civil action concerning any
13 confidential documents, materials, or information subject to
14 subsection (a).

15 (c) In order to assist in the performance of the Director's
16 regulatory duties, the Director may:

17 (1) upon request, share documents, materials, or other
18 corporate governance annual disclosure-related
19 information, including the confidential and privileged
20 documents, materials, and information subject to
21 subsection (a), including proprietary and trade-secret
22 documents and materials with other state, federal, and
23 international financial regulatory agencies, including
24 members of any supervisory college as defined in subsection
25 (c) of Section 131.20, with the National Association of
26 Insurance Commissioners, and with third-party consultants,

1 if the recipient agrees in writing to maintain the
2 confidentiality and privileged status of the corporate
3 governance annual disclosure-related documents, materials,
4 or other information and has verified in writing the legal
5 authority to maintain confidentiality; and

6 (2) receive documents, materials, or other corporate
7 governance annual disclosure-related information,
8 including otherwise confidential and privileged documents,
9 materials, and information, including proprietary and
10 trade-secret information and documents from regulatory
11 officials of other state, federal, and international
12 financial regulatory agencies, including members of any
13 supervisory college as defined in subsection (c) of Section
14 131.20, and from the National Association of Insurance
15 Commissioners, and shall maintain as confidential or
16 privileged any documents, materials, or information
17 received with notice or the understanding that it is
18 confidential or privileged under the laws of the
19 jurisdiction that is the source of the document, material,
20 or information.

21 (d) A written agreement with the National Association of
22 Insurance Commissioners or a third-party consultant governing
23 sharing and use of information provided pursuant to this
24 Article shall:

25 (1) include specific procedures and protocols for
26 maintaining the confidentiality and security of corporate

1 governance annual disclosure-related information shared
2 with the National Association of Insurance Commissioners
3 or a third-party consultant pursuant to this Article,
4 including procedures and protocols for sharing by the
5 National Association of Insurance Commissioners only with
6 other state regulators from states in which the insurance
7 group has domiciled insurers; the agreement shall provide
8 that the recipient agrees in writing to maintain the
9 confidentiality and privileged status of the corporate
10 governance annual disclosure-related documents, materials,
11 or other information and has verified in writing the legal
12 authority to maintain confidentiality;

13 (2) specify that ownership of the corporate governance
14 annual disclosure-related information shared with the
15 National Association of Insurance Commissioners or a
16 third-party consultant remains with the Director and that
17 the National Association of Insurance Commissioners' or
18 third-party consultant's use of the information is subject
19 to the direction of the Director;

20 (3) prohibit the National Association of Insurance
21 Commissioners or a third-party consultant from storing the
22 information shared pursuant to this Article in a permanent
23 database after the underlying analysis is completed;

24 (4) require the National Association of Insurance
25 Commissioners or a third-party consultant to provide
26 prompt notice to the Director and to the insurer or

1 insurance group regarding any subpoena, request for
2 disclosure, or request for production of the insurer's or
3 insurance group's corporate governance annual
4 disclosure-related information;

5 (5) require the National Association of Insurance
6 Commissioners or a third-party consultant to consent to
7 intervention by an insurer in any judicial or
8 administrative action in which the National Association of
9 Insurance Commissioners or a third-party consultant may be
10 required to disclose confidential information about the
11 insurer shared with the National Association of Insurance
12 Commissioners or a third-party consultant pursuant to this
13 Article; and

14 (6) require the National Association of Insurance
15 Commissioners or a third-party consultant to obtain
16 written consent of the insurer before making any of the
17 insurer's corporate governance annual disclosure-related
18 information public.

19 (e) The sharing of information and documents by the
20 Director pursuant to this Article shall not constitute a
21 delegation of regulatory authority or rulemaking, and the
22 Director is solely responsible for the administration,
23 execution, and enforcement of this Article.

24 (f) No waiver of any applicable privilege or claim of
25 confidentiality in the documents, proprietary and trade-secret
26 materials, or other corporate governance annual

1 disclosure-related information shall occur as a result of
2 disclosure of such information or documents to the Director
3 under this Section or as a result of sharing as authorized in
4 this Article.

5 (g) Documents, materials, or other information in the
6 possession or control of the National Association of Insurance
7 Commissioners or any third-party consultants pursuant to this
8 Article shall be confidential by law and privileged, shall not
9 be subject to the Freedom of Information Act, shall not be
10 subject to subpoena, and shall not be subject to discovery or
11 admissible in evidence in any private civil action.

12 (215 ILCS 5/130.7 new)

13 Sec. 130.7. Sanctions. Any insurer failing, without just
14 cause, to timely file the corporate governance annual
15 disclosure as required in this Article shall be required, after
16 notice and a hearing, to pay a penalty of \$200 for each day's
17 delay, to be recovered by the Director. Any penalty recovered
18 shall be paid into the General Revenue Fund. The Director may
19 reduce the penalty if the insurer demonstrates to the Director
20 that the imposition of the penalty would constitute a financial
21 hardship to the insurer.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.