



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4324

Introduced 1/5/2022, by Rep. Bob Morgan

SYNOPSIS AS INTRODUCED:

215 ILCS 5/500-35

Amends the Illinois Insurance Code. In provisions concerning insurance producer licenses, provides that an insurance producer's active participation in a State or national professional insurance association may be approved by the Director of Insurance for up to 4 hours of continuing education credit per biennial reporting period. Provides that the hours shall be credited upon timely filing with the Director or his or her designee on a biennial basis, the credit shall not be used to satisfy ethics education requirements, and active participation in a State or national professional insurance association is defined by specified methods.

LRB102 23347 BMS 32513 b

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
5 changing Section 500-35 as follows:

6 (215 ILCS 5/500-35)

7 (Section scheduled to be repealed on January 1, 2027)

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
17 accident 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.

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

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

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

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

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

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

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

16 (2) An insurance producer's active participation in a
17 State or national professional insurance association may
18 be approved by the Director for up to 4 hours of continuing
19 education credit per biennial reporting period. These
20 hours shall be credited upon timely filing with the
21 Director or his or her designee on a biennial basis.
22 Credit granted under these provisions shall not be used to
23 satisfy ethics education requirements. Active
24 participation in a State or national professional
25 insurance association is defined by one of the following
26 methods:

1 (A) service on a board of directors of a State or
2 national chapter of the association;

3 (B) service on a formal committee of a State or
4 national chapter of the association; or

5 (C) service on a formal subcommittee or task force
6 of a State or national chapter of the association.

7 (3) An insurance producer license automatically
8 terminates when an insurance producer fails to
9 successfully meet the requirements of item (1) of
10 subsection (b) of this Section. The producer must complete
11 the course in advance of the renewal date to allow the
12 education provider time to report the credit to the
13 Department.

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

18 (d) An individual insurance producer who allows his or her
19 license to lapse may, within 12 months after the due date of
20 the renewal fee, be issued a license without the necessity of
21 passing a written examination. However, a penalty in the
22 amount of double the unpaid renewal fee shall be required
23 after the due date.

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

1 (f) The license must contain the licensee's name, address,
2 and personal identification number, the date of issuance, the
3 lines of authority, the expiration date, and any other
4 information the Director deems necessary.

5 (g) Licensees must inform the Director by any means
6 acceptable to the Director of a change of address within 30
7 days after the change.

8 (h) In order to assist in the performance of the
9 Director's duties, the Director may contract with a
10 non-governmental entity including the National Association of
11 Insurance Commissioners (NAIC), or any affiliates or
12 subsidiaries that the NAIC oversees, to perform any
13 ministerial functions, including collection of fees, related
14 to producer licensing that the Director and the
15 non-governmental entity may deem appropriate.

16 (Source: P.A. 100-876, eff. 8-14-18.)