

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7 (Section scheduled to be repealed on January 1, 2027)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 or participation in a professional insurance
18 association under paragraph (3) of this subsection in
19 accordance with rules prescribed by the Director. Three of
20 the 24 hours of course study must consist of classroom or
21 webinar ethics instruction. The Director may not approve a
22 course of study unless the course provides for classroom,
23 seminar, webinar, or self-study instruction methods. A
24 course given in a combination instruction method of
25 classroom, seminar, webinar, or self-study shall be deemed
26 to be a self-study course unless the classroom, seminar,

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

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

25 (3) An insurance producer's active participation in a
26 State or national professional insurance association may

1 be approved by the Director for up to 4 hours of continuing
2 education credit per biennial reporting period. Credit
3 shall be provided on an hour-for-hour basis. These hours
4 shall be verified and submitted by the association on
5 behalf of the insurance producer and credited upon timely
6 filing with the Director or his or her designee on a
7 biennial basis. Any association submitting continuing
8 education credit hours on behalf of insurance producers
9 must be registered as an education provider under Section
10 500-135. Credit granted under these provisions shall not
11 be used to satisfy ethics education requirements. Active
12 participation in a State or national professional
13 insurance association is defined by one of the following
14 methods:

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

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

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

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

25 (d) An individual insurance producer who allows his or her
26 license to lapse may, within 12 months after the due date of

1 the renewal fee, be issued a license without the necessity of
2 passing a written examination. However, a penalty in the
3 amount of double the unpaid renewal fee shall be required
4 after the due date.

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

8 (f) The license must contain the licensee's name, address,
9 and personal identification number, the date of issuance, the
10 lines of authority, the expiration date, and any other
11 information the Director deems necessary.

12 (g) Licensees must inform the Director by any means
13 acceptable to the Director of a change of address within 30
14 days after the change.

15 (h) In order to assist in the performance of the
16 Director's duties, the Director may contract with a
17 non-governmental entity including the National Association of
18 Insurance Commissioners (NAIC), or any affiliates or
19 subsidiaries that the NAIC oversees, to perform any
20 ministerial functions, including collection of fees, related
21 to producer licensing that the Director and the
22 non-governmental entity may deem appropriate.

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