



Rep. Bob Morgan

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10200HB4324ham001

LRB102 23347 BMS 36807 a

1 AMENDMENT TO HOUSE BILL 4324

2 AMENDMENT NO. _____. Amend House Bill 4324 by replacing
3 everything after the enacting clause with the following:

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7 (Section scheduled to be repealed on January 1, 2027)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

1 accident and benefits for disability income.

2 (2) Variable life and variable annuity products:
3 insurance coverage provided under variable life insurance
4 contracts and variable annuities.

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

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

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

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

16 (7) Any other line of insurance permitted under State
17 laws or rules.

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

22 (1) Before each license renewal, an insurance producer
23 must satisfactorily complete at least 24 hours of course
24 study or participation in a professional insurance
25 association under paragraph (3) of this subsection in
26 accordance with rules prescribed by the Director. Three of

1 the 24 hours of course study must consist of classroom or
2 webinar ethics instruction. The Director may not approve a
3 course of study unless the course provides for classroom,
4 seminar, webinar, or self-study instruction methods. A
5 course given in a combination instruction method of
6 classroom, seminar, webinar, or self-study shall be deemed
7 to be a self-study course unless the classroom, seminar,
8 or webinar certified hours meets or exceeds two-thirds of
9 total hours certified for the course. The self-study
10 material used in the combination course must be directly
11 related to and complement the classroom portion of the
12 course in order to be considered for credit. An
13 instruction method other than classroom or seminar shall
14 be considered as self-study methodology. Self-study credit
15 hours require the successful completion of an examination
16 covering the self-study material. The examination may not
17 be self-evaluated. However, if the self-study material is
18 completed through the use of an approved computerized
19 interactive format whereby the computer validates the
20 successful completion of the self-study material, no
21 additional examination is required. The self-study credit
22 hours contained in a certified course shall be considered
23 classroom hours when at least two-thirds of the hours are
24 given as classroom or seminar instruction.

25 (2) An insurance producer license automatically
26 terminates when an insurance producer fails to

1 successfully meet the requirements of item (1) of
2 subsection (b) of this Section. The producer must complete
3 the course in advance of the renewal date to allow the
4 education provider time to report the credit to the
5 Department.

6 (3) An insurance producer's active participation in a
7 State or national professional insurance association may
8 be approved by the Director for up to 4 hours of continuing
9 education credit per biennial reporting period. Credit
10 shall be provided on an hour-for-hour basis. These hours
11 shall be verified and submitted by the association on
12 behalf of the insurance producer and credited upon timely
13 filing with the Director or his or her designee on a
14 biennial basis. Any association submitting continuing
15 education credit hours on behalf of insurance producers
16 must be registered as an education provider under Section
17 500-135. Credit granted under these provisions shall not
18 be used to satisfy ethics education requirements. Active
19 participation in a State or national professional
20 insurance association is defined by one of the following
21 methods:

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

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

26 (C) service on a formal subcommittee or task force

1 of a State or national chapter of the association.

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
5 course 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
10 amount of double the unpaid renewal fee shall be required
11 after the 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
23 Director's duties, the Director may contract with a
24 non-governmental entity including the National Association of
25 Insurance Commissioners (NAIC), or any affiliates or
26 subsidiaries that the NAIC oversees, to perform any

1 ministerial functions, including collection of fees, related
2 to producer licensing that the Director and the
3 non-governmental entity may deem appropriate.
4 (Source: P.A. 100-876, eff. 8-14-18.)".