



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB4048

Introduced 1/21/2022, by Sen. Napoleon Harris, III

SYNOPSIS AS INTRODUCED:

20 ILCS 4005/8.5
20 ILCS 4005/8.6
215 ILCS 5/35B-25
215 ILCS 5/35B-30
215 ILCS 5/143 from Ch. 73, par. 755
215 ILCS 5/408 from Ch. 73, par. 1020
215 ILCS 5/416

Amends the Illinois Motor Vehicle Theft Prevention and Insurance Verification Act. Provides that before April 1 of each year, each insurer engaged in writing private passenger motor vehicle insurance coverage may collect and shall pay (rather than shall collect and remit) to the Department of Insurance specified amounts determined by the Illinois Law Enforcement Training Board for deposit into the State Police Training and Academy Fund and the Law Enforcement Training Fund. Makes other changes. Amends the Illinois Insurance Code. In provisions concerning plans of division approval, provides that if a dividing company amends its plan of division at any time before the plan of division becomes effective, the dividing company shall file the amended plan of division for approval by the Director of Insurance. In provisions concerning certificates of division, provides that if the dividing company files an amended plan of division with the Director after a certificate of division has been filed for a previous plan, the dividing company shall file a certificate of stay with the recorder, with a concurrent copy to the Director, and if the Director approves the amended plan, the dividing company shall file an amended certificate of division. Sets forth filing fees and charges. Provides that the Director shall charge and collect the sum of \$40 (rather than \$20) for any service of process on the Director as attorney. In provisions concerning the Illinois Workers' Compensation Commission Operations Fund surcharges, provides that when a company fails to pay the full amount of any annual Illinois Workers' Compensation Commission Operations Fund Surcharge of \$100 or more, there shall be added to the amount due as a penalty an amount equal to 10% (rather than the greater of \$1,000 or an amount equal to 5%) of the deficiency for each month or part of a month that the deficiency remains unpaid. Makes other changes. Effective immediately.

LRB102 25353 BMS 34633 b

A BILL FOR

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 Motor Vehicle Theft Prevention and
5 Insurance Verification Act is amended by changing Sections 8.5
6 and 8.6 as follows:

7 (20 ILCS 4005/8.5)

8 (Section scheduled to be repealed on January 1, 2025)

9 Sec. 8.5. State Police Motor Vehicle Theft Prevention
10 Trust Fund. The State Police Motor Vehicle Theft Prevention
11 Trust Fund is created as a trust fund in the State treasury.
12 The State Treasurer shall be the custodian of the ~~Trust~~ Fund.
13 The State Police Motor Vehicle Theft Prevention Trust Fund is
14 established to receive funds from the Illinois Motor Vehicle
15 Theft Prevention and Insurance Verification Council. All
16 interest earned from the investment or deposit of moneys
17 accumulated in the ~~Trust~~ Fund shall be deposited into the
18 ~~Trust~~ Fund. Moneys in the ~~Trust~~ Fund shall be used by the
19 Illinois State Police for motor vehicle theft prevention
20 purposes.

21 (Source: P.A. 102-538, eff. 8-20-21.)

22 (20 ILCS 4005/8.6)

1 Sec. 8.6. State Police Training and Academy Fund; Law
2 Enforcement Training Fund. Before April 1 of each year, each
3 insurer engaged in writing private passenger motor vehicle
4 insurance coverage that is included in Class 2 and Class 3 of
5 Section 4 of the Illinois Insurance Code, as a condition of its
6 authority to transact business in this State, may collect and
7 shall pay ~~shall collect and remit~~ to the Department of
8 Insurance an amount equal to \$4, or a lesser amount determined
9 by the Illinois Law Enforcement Training Board by rule,
10 multiplied by the insurer's total earned car years of private
11 passenger motor vehicle insurance policies providing physical
12 damage insurance coverage written in this State during the
13 preceding calendar year. Of the amounts collected under this
14 Section, the Department of Insurance shall deposit 10% into
15 the State Police Training and Academy Fund and 90% into the Law
16 Enforcement Training Fund.

17 (Source: P.A. 102-16, eff. 6-17-21.)

18 Section 10. The Illinois Insurance Code is amended by
19 changing Sections 35B-25, 35B-30, 143, 408, and 416 as
20 follows:

21 (215 ILCS 5/35B-25)

22 (Text of Section before amendment by P.A. 102-578)

23 Sec. 35B-25. Plan of division approval.

24 (a) A division shall not become effective until it is

1 approved by the Director after reasonable notice and a public
2 hearing, if the notice and hearing are deemed by the Director
3 to be in the public interest. The Director shall hold a public
4 hearing if one is requested by the dividing company. A hearing
5 conducted under this Section shall be conducted in accordance
6 with Article 10 of the Illinois Administrative Procedure Act.

7 (b) The Director shall approve a plan of division unless
8 the Director finds that:

9 (1) the interest of any class of policyholder or
10 shareholder of the dividing company will not be properly
11 protected;

12 (2) each new company created by the proposed division,
13 except a new company that is a nonsurviving party to a
14 merger pursuant to subsection (b) of Section 156, would be
15 ineligible to receive a license to do insurance business
16 in this State pursuant to Section 5;

17 (2.5) each new company created by the proposed
18 division, except a new company that is a nonsurviving
19 party to a merger pursuant to subsection (b) of Section
20 156, that will be a member insurer of the Illinois Life and
21 Health Insurance Guaranty Association and that will have
22 policy liabilities allocated to it will not be licensed to
23 do insurance business in each state where such policies
24 were written by the dividing company;

25 (3) the proposed division violates a provision of the
26 Uniform Fraudulent Transfer Act;

1 (4) the division is being made for purposes of
2 hindering, delaying, or defrauding any policyholders or
3 other creditors of the dividing company;

4 (5) one or more resulting companies will not be
5 solvent upon the consummation of the division; or

6 (6) the remaining assets of one or more resulting
7 companies will be, upon consummation of a division,
8 unreasonably small in relation to the business and
9 transactions in which the resulting company was engaged or
10 is about to engage.

11 (c) In determining whether the standards set forth in
12 paragraph (3) of subsection (b) have been satisfied, the
13 Director shall only apply the Uniform Fraudulent Transfer Act
14 to a dividing company in its capacity as a resulting company
15 and shall not apply the Uniform Fraudulent Transfer Act to any
16 dividing company that is not proposed to survive the division.

17 (d) In determining whether the standards set forth in
18 paragraphs (3), (4), (5), and (6) of subsection (b) have been
19 satisfied, the Director may consider all proposed assets of
20 the resulting company, including, without limitation,
21 reinsurance agreements, parental guarantees, support or keep
22 well agreements, or capital maintenance or contingent capital
23 agreements, in each case, regardless of whether the same would
24 qualify as an admitted asset as defined in Section 3.1.

25 (e) In determining whether the standards set forth in
26 paragraph (3) of subsection (b) have been satisfied, with

1 respect to each resulting company, the Director shall, in
2 applying the Uniform Fraudulent Transfer Act, treat:

3 (1) the resulting company as a debtor;

4 (2) liabilities allocated to the resulting company as
5 obligations incurred by a debtor;

6 (3) the resulting company as not having received
7 reasonably equivalent value in exchange for incurring the
8 obligations; and

9 (4) assets allocated to the resulting company as
10 remaining property.

11 (f) All information, documents, materials, and copies
12 thereof submitted to, obtained by, or disclosed to the
13 Director in connection with a plan of division or in
14 contemplation thereof, including any information, documents,
15 materials, or copies provided by or on behalf of a domestic
16 stock company in advance of its adoption or submission of a
17 plan of division, shall be confidential and shall be subject
18 to the same protection and treatment in accordance with
19 Section 131.22 as documents and reports disclosed to or filed
20 with the Director pursuant to Section 131.14b until such time,
21 if any, as a notice of the hearing contemplated by subsection
22 (a) is issued.

23 (g) From and after the issuance of a notice of the hearing
24 contemplated by subsection (a), all business, financial, and
25 actuarial information that the domestic stock company requests
26 confidential treatment, other than the plan of division, shall

1 continue to be confidential and shall not be available for
2 public inspection and shall be subject to the same protection
3 and treatment in accordance with Section 131.22 as documents
4 and reports disclosed to or filed with the Director pursuant
5 to Section 131.14b.

6 (h) All expenses incurred by the Director in connection
7 with proceedings under this Section, including expenses for
8 the services of any attorneys, actuaries, accountants, and
9 other experts as may be reasonably necessary to assist the
10 Director in reviewing the proposed division, shall be paid by
11 the dividing company filing the plan of division. A dividing
12 company may allocate expenses described in this subsection in
13 a plan of division in the same manner as any other liability.

14 (i) If the Director approves a plan of division, the
15 Director shall issue an order that shall be accompanied by
16 findings of fact and conclusions of law.

17 (j) The conditions in this Section for freeing one or more
18 of the resulting companies from the liabilities of the
19 dividing company and for allocating some or all of the
20 liabilities of the dividing company shall be conclusively
21 deemed to have been satisfied if the plan of division has been
22 approved by the Director in a final order that is not subject
23 to further appeal.

24 (k) If a dividing company amends its plan of division at
25 any time before the plan of division becomes effective,
26 including after the Director's approval of the plan or after

1 any hearing has been conducted under this Section, the
2 dividing company shall file the amended plan of division for
3 approval by the Director pursuant to the provisions of this
4 Section.

5 (1) If a hearing is conducted on the amended plan of
6 division after the Director has approved a previous plan
7 of division, the hearing shall not be considered a
8 rehearing or a reopening of any hearing conducted on the
9 previous plan. Nothing in this paragraph shall prohibit
10 the dividing company from requesting a rehearing or
11 reopening of any hearing conducted on any disapproved plan
12 of division, amended or otherwise.

13 (2) Whether under direct review or in a hearing, the
14 Director may rely on information already submitted or
15 developed in connection with the previous plan of
16 division, as well as any findings of fact or conclusions
17 of law if a hearing has been conducted or an approval order
18 has been issued on the previous plan, to the extent the
19 information, findings, or conclusions remain relevant to
20 the amended plan of division, and the Director shall
21 collect any other information necessary to make a
22 determination under subsection (b).

23 (3) The fee assessed under Section 408 for filing a
24 plan of division shall not apply to the filing of an
25 amended plan of division, but subsection (h) of this
26 Section shall apply to all proceedings related to the

1 amended plan.

2 (Source: P.A. 101-549, eff. 1-1-20; 102-394, eff. 8-16-21.)

3 (Text of Section after amendment by P.A. 102-578)

4 Sec. 35B-25. Plan of division approval.

5 (a) A division shall not become effective until it is
6 approved by the Director after reasonable notice and a public
7 hearing, if the notice and hearing are deemed by the Director
8 to be in the public interest. The Director shall hold a public
9 hearing if one is requested by the dividing company. A hearing
10 conducted under this Section shall be conducted in accordance
11 with Article 10 of the Illinois Administrative Procedure Act.

12 (b) The Director shall approve a plan of division unless
13 the Director finds that:

14 (1) the interest of any class of policyholder or
15 shareholder of the dividing company will not be properly
16 protected;

17 (2) each new company created by the proposed division,
18 except a new company that is a nonsurviving party to a
19 merger pursuant to subsection (b) of Section 156, would be
20 ineligible to receive a license to do insurance business
21 in this State pursuant to Section 5;

22 (2.5) each new company created by the proposed
23 division, except a new company that is a nonsurviving
24 party to a merger pursuant to subsection (b) of Section
25 156, that will be a member insurer of the Illinois Life and

1 Health Insurance Guaranty Association and that will have
2 policy liabilities allocated to it will not be licensed to
3 do insurance business in each state where such policies
4 were written by the dividing company;

5 (3) the proposed division violates a provision of the
6 Uniform Fraudulent Transfer Act;

7 (4) the division is being made for purposes of
8 hindering, delaying, or defrauding any policyholders or
9 other creditors of the dividing company;

10 (5) one or more resulting companies will not be
11 solvent upon the consummation of the division; or

12 (6) the remaining assets of one or more resulting
13 companies will be, upon consummation of a division,
14 unreasonably small in relation to the business and
15 transactions in which the resulting company was engaged or
16 is about to engage.

17 (c) In determining whether the standards set forth in
18 paragraph (3) of subsection (b) have been satisfied, the
19 Director shall only apply the Uniform Fraudulent Transfer Act
20 to a dividing company in its capacity as a resulting company
21 and shall not apply the Uniform Fraudulent Transfer Act to any
22 dividing company that is not proposed to survive the division.

23 (d) In determining whether the standards set forth in
24 paragraphs (3), (4), (5), and (6) of subsection (b) have been
25 satisfied, the Director may consider all proposed assets of
26 the resulting company, including, without limitation,

1 reinsurance agreements, parental guarantees, support or keep
2 well agreements, or capital maintenance or contingent capital
3 agreements, in each case, regardless of whether the same would
4 qualify as an admitted asset as defined in Section 3.1.

5 (e) In determining whether the standards set forth in
6 paragraph (3) of subsection (b) have been satisfied, with
7 respect to each resulting company, the Director shall, in
8 applying the Uniform Fraudulent Transfer Act, treat:

9 (1) the resulting company as a debtor;

10 (2) liabilities allocated to the resulting company as
11 obligations incurred by a debtor;

12 (3) the resulting company as not having received
13 reasonably equivalent value in exchange for incurring the
14 obligations; and

15 (4) assets allocated to the resulting company as
16 remaining property.

17 (f) All information, documents, materials, and copies
18 thereof submitted to, obtained by, or disclosed to the
19 Director in connection with a plan of division or in
20 contemplation thereof, including any information, documents,
21 materials, or copies provided by or on behalf of a domestic
22 stock company in advance of its adoption or submission of a
23 plan of division, shall be confidential and shall be subject
24 to the same protection and treatment in accordance with
25 Section 131.22 as documents and reports disclosed to or filed
26 with the Director pursuant to subsection (a) of Section

1 131.14b until such time, if any, as a notice of the hearing
2 contemplated by subsection (a) is issued.

3 (g) From and after the issuance of a notice of the hearing
4 contemplated by subsection (a), all business, financial, and
5 actuarial information that the domestic stock company requests
6 confidential treatment, other than the plan of division, shall
7 continue to be confidential and shall not be available for
8 public inspection and shall be subject to the same protection
9 and treatment in accordance with Section 131.22 as documents
10 and reports disclosed to or filed with the Director pursuant
11 to subsection (a) of Section 131.14b.

12 (h) All expenses incurred by the Director in connection
13 with proceedings under this Section, including expenses for
14 the services of any attorneys, actuaries, accountants, and
15 other experts as may be reasonably necessary to assist the
16 Director in reviewing the proposed division, shall be paid by
17 the dividing company filing the plan of division. A dividing
18 company may allocate expenses described in this subsection in
19 a plan of division in the same manner as any other liability.

20 (i) If the Director approves a plan of division, the
21 Director shall issue an order that shall be accompanied by
22 findings of fact and conclusions of law.

23 (j) The conditions in this Section for freeing one or more
24 of the resulting companies from the liabilities of the
25 dividing company and for allocating some or all of the
26 liabilities of the dividing company shall be conclusively

1 deemed to have been satisfied if the plan of division has been
2 approved by the Director in a final order that is not subject
3 to further appeal.

4 (k) If a dividing company amends its plan of division at
5 any time before the plan of division becomes effective,
6 including after the Director's approval of the plan or after
7 any hearing has been conducted under this Section, the
8 dividing company shall file the amended plan of division for
9 approval by the Director pursuant to the provisions of this
10 Section.

11 (1) If a hearing is conducted on the amended plan of
12 division after the Director has approved a previous plan
13 of division, the hearing shall not be considered a
14 rehearing or a reopening of any hearing conducted on the
15 previous plan. Nothing in this paragraph shall prohibit
16 the dividing company from requesting a rehearing or
17 reopening of any hearing conducted on any disapproved plan
18 of division, amended or otherwise.

19 (2) Whether under direct review or in a hearing, the
20 Director may rely on information already submitted or
21 developed in connection with the previous plan of
22 division, as well as any findings of fact or conclusions
23 of law if a hearing has been conducted or an approval order
24 has been issued on the previous plan, to the extent the
25 information, findings, or conclusions remain relevant to
26 the amended plan of division, and the Director shall

1 collect any other information necessary to make a
2 determination under subsection (b).

3 (3) The fee assessed under Section 408 for filing a
4 plan of division shall not apply to the filing of an
5 amended plan of division, but subsection (h) of this
6 Section shall apply to all proceedings related to the
7 amended plan.

8 (Source: P.A. 101-549, eff. 1-1-20; 102-394, eff. 8-16-21;
9 102-578, eff. 7-1-22 (See Section 5 of P.A. 102-672 for
10 effective date of P.A. 102-578).)

11 (215 ILCS 5/35B-30)

12 Sec. 35B-30. Certificate of division.

13 (a) After a plan of division has been adopted and
14 approved, an officer or duly authorized representative of the
15 dividing company shall sign a certificate of division.

16 (b) The certificate of division shall set forth:

17 (1) the name of the dividing company;

18 (2) a statement disclosing whether the dividing
19 company will survive the division;

20 (3) the name of each new company that will be created
21 by the division;

22 (4) the kinds of insurance business enumerated in
23 Section 4 that the new company will be authorized to
24 conduct;

25 (5) the date that the division is to be effective,

1 which shall not be more than 90 days after the dividing
2 company has filed the certificate of division with the
3 recorder, with a concurrent copy to the Director;

4 (6) a statement that the division was approved by the
5 Director in accordance with Section 35B-25, including the
6 date that approval was served on the dividing company;

7 (7) ~~(6)~~ a statement that the dividing company
8 provided, no later than 10 business days after the
9 dividing company filed the plan of division with the
10 Director, reasonable notice to each reinsurer that is
11 party to a reinsurance contract that is applicable to the
12 policies included in the plan of division;

13 (8) ~~(7)~~ if the dividing company will survive the
14 division, an amendment to its articles of incorporation or
15 bylaws approved as part of the plan of division;

16 (9) ~~(8)~~ for each new company created by the division,
17 its articles of incorporation and bylaws, provided that
18 the articles of incorporation and bylaws need not state
19 the name or address of an incorporator; and

20 (10) ~~(9)~~ a reasonable description of the capital,
21 surplus, other assets and liabilities, including policy
22 liabilities, of the dividing company that are to be
23 allocated to each resulting company.

24 (c) The articles of incorporation and bylaws of each new
25 company must satisfy the requirements of the laws of this
26 State, provided that the documents need not be signed or

1 include a provision that need not be included in a restatement
2 of the document.

3 (d) A certificate of division is effective when filed with
4 the recorder, with a concurrent copy to the Director, as
5 provided in this Section or on another date specified in the
6 plan of division, whichever is later, provided that a
7 certificate of division shall become effective not more than
8 90 days after it is filed with the recorder. A division is
9 effective when the relevant certificate of division is
10 effective.

11 (e) If the dividing company files an amended plan of
12 division with the Director after a certificate of division has
13 been filed for a previous plan, the dividing company shall
14 file a certificate of stay with the recorder, with a
15 concurrent copy to the Director. The certificate of stay shall
16 identify the certificate of division being stayed and the date
17 on which the amended plan of division was filed with the
18 Director. If the Director approves the amended plan, the
19 dividing company shall file an amended certificate of division
20 pursuant to this Section. Nothing in this subsection shall
21 allow a dividing company to amend its plan of division under
22 Section 35B-15 on or after the effective date specified in a
23 certificate of division that is active or that has been
24 stayed.

25 (Source: P.A. 100-1118, eff. 11-27-18.)

1 (215 ILCS 5/143) (from Ch. 73, par. 755)

2 Sec. 143. Policy forms.

3 (1) Life, accident and health. No company transacting the
4 kind or kinds of business enumerated in Classes 1 (a), 1 (b)
5 and 2 (a) of Section 4 shall issue or deliver in this State a
6 policy or certificate of insurance or evidence of coverage,
7 attach an endorsement or rider thereto, incorporate by
8 reference bylaws or other matter therein or use an application
9 blank in this State until the form and content of such policy,
10 certificate, evidence of coverage, endorsement, rider, bylaw
11 or other matter incorporated by reference or application blank
12 has been filed electronically with the Director, either
13 through the System for Electronic Rate and Form Filing (SERFF)
14 or as otherwise prescribed by the Director, and approved by
15 the Director. Any such endorsement or rider that unilaterally
16 reduces benefits and is to be attached to a policy subsequent
17 to the date the policy is issued must be filed with, reviewed,
18 and formally approved by the Director prior to the date it is
19 attached to a policy issued or delivered in this State. It
20 shall be the duty of the Director to disapprove or withdraw
21 ~~withhold approval of~~ any such policy, certificate,
22 endorsement, rider, bylaw or other matter incorporated by
23 reference or application blank filed ~~with him~~ if it contains
24 deficiencies, provisions which encourage misrepresentation or
25 are unjust, unfair, inequitable, ambiguous, misleading,
26 inconsistent, deceptive, contrary to law or to the public

1 policy of this State, or contains exceptions and conditions
2 that unreasonably or deceptively affect the risk purported to
3 be assumed in the general coverage of the policy. In all cases
4 the Director shall approve, withdraw, or disapprove any such
5 form within 60 days after submission unless the Director
6 extends by not more than an additional 30 days the period
7 within which ~~the he shall approve or disapprove any such~~ form
8 shall be approved, withdrawn, or disapproved by giving written
9 notice to the insurer of such extension before expiration of
10 the initial 60 days period. The Director shall withdraw ~~his~~
11 approval of a policy, certificate, evidence of coverage,
12 endorsement, rider, bylaw, or other matter incorporated by
13 reference or application blank if it is subsequently
14 determined ~~he subsequently determines~~ that such policy,
15 certificate, evidence of coverage, endorsement, rider, bylaw,
16 other matter, or application blank is misrepresentative,
17 unjust, unfair, inequitable, ambiguous, misleading,
18 inconsistent, deceptive, contrary to law or public policy of
19 this State, or contains exceptions or conditions which
20 unreasonably or deceptively affect the risk purported to be
21 assumed in the general coverage of the policy or evidence of
22 coverage.

23 If a previously approved policy, certificate, evidence of
24 coverage, endorsement, rider, bylaw or other matter
25 incorporated by reference or application blank is withdrawn
26 for use, the Director shall serve upon the company an order of

1 withdrawal of use, either personally or by mail, and if by
2 mail, such service shall be completed if such notice be
3 deposited in the post office, postage prepaid, addressed to
4 the company's last known address specified in the records of
5 the Department of Insurance. The order of withdrawal of use
6 shall take effect 30 days from the date of mailing but shall be
7 stayed if within the 30-day period a written request for
8 hearing is filed with the Director. Such hearing shall be held
9 at such time and place as designated in the order given by the
10 Director. The hearing may be held either in the City of
11 Springfield, the City of Chicago or in the county where the
12 principal business address of the company is located. The
13 action of the Director in disapproving or withdrawing such
14 form shall be subject to judicial review under the
15 Administrative Review Law.

16 This subsection shall not apply to riders or endorsements
17 issued or made at the request of the individual policyholder
18 relating to the manner of distribution of benefits or to the
19 reservation of rights and benefits under his life insurance
20 policy.

21 (2) Casualty, fire, and marine. The Director shall require
22 the filing of all policy forms issued or delivered by any
23 company transacting the kind or kinds of business enumerated
24 in Classes 2 (except Class 2 (a)) and 3 of Section 4 in an
25 electronic format either through the System for Electronic
26 Rate and Form Filing (SERFF) or as otherwise prescribed and

1 approved by the Director. In addition, he may require the
2 filing of any generally used riders, endorsements,
3 certificates, application blanks, and other matter
4 incorporated by reference in any such policy or contract of
5 insurance. Companies that are members of an organization,
6 bureau, or association may have the same filed for them by the
7 organization, bureau, or association. If the Director shall
8 find from an examination of any such policy form, rider,
9 endorsement, certificate, application blank, or other matter
10 incorporated by reference in any such policy so filed that it
11 (i) violates any provision of this Code, (ii) contains
12 inconsistent, ambiguous, or misleading clauses, or (iii)
13 contains exceptions and conditions that will unreasonably or
14 deceptively affect the risks that are purported to be assumed
15 by the policy, he shall order the company or companies issuing
16 these forms to discontinue their use. Nothing in this
17 subsection shall require a company transacting the kind or
18 kinds of business enumerated in Classes 2 (except Class 2 (a))
19 and 3 of Section 4 to obtain approval of these forms before
20 they are issued nor in any way affect the legality of any
21 policy that has been issued and found to be in conflict with
22 this subsection, but such policies shall be subject to the
23 provisions of Section 442.

24 (3) This Section shall not apply (i) to surety contracts
25 or fidelity bonds, (ii) to policies issued to an industrial
26 insured as defined in Section 121-2.08 except for workers'

1 compensation policies, nor (iii) to riders or endorsements
2 prepared to meet special, unusual, peculiar, or extraordinary
3 conditions applying to an individual risk.

4 (Source: P.A. 97-486, eff. 1-1-12; 98-226, eff. 1-1-14.)

5 (215 ILCS 5/408) (from Ch. 73, par. 1020)

6 Sec. 408. Fees and charges.

7 (1) The Director shall charge, collect and give proper
8 acquittances for the payment of the following fees and
9 charges:

10 (a) For filing all documents submitted for the
11 incorporation or organization or certification of a
12 domestic company, except for a fraternal benefit society,
13 \$2,000.

14 (b) For filing all documents submitted for the
15 incorporation or organization of a fraternal benefit
16 society, \$500.

17 (c) For filing amendments to articles of incorporation
18 and amendments to declaration of organization, except for
19 a fraternal benefit society, a mutual benefit association,
20 a burial society or a farm mutual, \$200.

21 (d) For filing amendments to articles of incorporation
22 of a fraternal benefit society, a mutual benefit
23 association or a burial society, \$100.

24 (e) For filing amendments to articles of incorporation
25 of a farm mutual, \$50.

- 1 (f) For filing bylaws or amendments thereto, \$50.
- 2 (g) For filing agreement of merger or consolidation:
- 3 (i) for a domestic company, except for a fraternal
- 4 benefit society, a mutual benefit association, a
- 5 burial society, or a farm mutual, \$2,000.
- 6 (ii) for a foreign or alien company, except for a
- 7 fraternal benefit society, \$600.
- 8 (iii) for a fraternal benefit society, a mutual
- 9 benefit association, a burial society, or a farm
- 10 mutual, \$200.
- 11 (h) For filing agreements of reinsurance by a domestic
- 12 company, \$200.
- 13 (i) For filing all documents submitted by a foreign or
- 14 alien company to be admitted to transact business or
- 15 accredited as a reinsurer in this State, except for a
- 16 fraternal benefit society, \$5,000.
- 17 (j) For filing all documents submitted by a foreign or
- 18 alien fraternal benefit society to be admitted to transact
- 19 business in this State, \$500.
- 20 (k) For filing declaration of withdrawal of a foreign
- 21 or alien company, \$50.
- 22 (l) For filing annual statement by a domestic company,
- 23 except a fraternal benefit society, a mutual benefit
- 24 association, a burial society, or a farm mutual, \$200.
- 25 (m) For filing annual statement by a domestic
- 26 fraternal benefit society, \$100.

1 (n) For filing annual statement by a farm mutual, a
2 mutual benefit association, or a burial society, \$50.

3 (o) For issuing a certificate of authority or renewal
4 thereof except to a foreign fraternal benefit society,
5 \$400.

6 (p) For issuing a certificate of authority or renewal
7 thereof to a foreign fraternal benefit society, \$200.

8 (q) For issuing an amended certificate of authority,
9 \$50.

10 (r) For each certified copy of certificate of
11 authority, \$20.

12 (s) For each certificate of deposit, or valuation, or
13 compliance or surety certificate, \$20.

14 (t) For copies of papers or records per page, \$1.

15 (u) For each certification to copies of papers or
16 records, \$10.

17 (v) For multiple copies of documents or certificates
18 listed in subparagraphs (r), (s), and (u) of paragraph (1)
19 of this Section, \$10 for the first copy of a certificate of
20 any type and \$5 for each additional copy of the same
21 certificate requested at the same time, unless, pursuant
22 to paragraph (2) of this Section, the Director finds these
23 additional fees excessive.

24 (w) For issuing a permit to sell shares or increase
25 paid-up capital:

26 (i) in connection with a public stock offering,

1 \$300;

2 (ii) in any other case, \$100.

3 (x) For issuing any other certificate required or
4 permissible under the law, \$50.

5 (y) For filing a plan of exchange of the stock of a
6 domestic stock insurance company, a plan of
7 demutualization of a domestic mutual company, or a plan of
8 reorganization under Article XII, \$2,000.

9 (z) For filing a statement of acquisition of a
10 domestic company as defined in Section 131.4 of this Code,
11 \$2,000.

12 (aa) For filing an agreement to purchase the business
13 of an organization authorized under the Dental Service
14 Plan Act or the Voluntary Health Services Plans Act or of a
15 health maintenance organization or a limited health
16 service organization, \$2,000.

17 (bb) For filing a statement of acquisition of a
18 foreign or alien insurance company as defined in Section
19 131.12a of this Code, \$1,000.

20 (cc) For filing a registration statement as required
21 in Sections 131.13 and 131.14, the notification as
22 required by Sections 131.16, 131.20a, or 141.4, or an
23 agreement or transaction required by Sections 124.2(2),
24 141, 141a, or 141.1, \$200.

25 (dd) For filing an application for licensing of:

26 (i) a religious or charitable risk pooling trust

- 1 or a workers' compensation pool, \$1,000;
- 2 (ii) a workers' compensation service company,
- 3 \$500;
- 4 (iii) a self-insured automobile fleet, \$200; or
- 5 (iv) a renewal of or amendment of any license
- 6 issued pursuant to (i), (ii), or (iii) above, \$100.
- 7 (ee) For filing articles of incorporation for a
- 8 syndicate to engage in the business of insurance through
- 9 the Illinois Insurance Exchange, \$2,000.
- 10 (ff) For filing amended articles of incorporation for
- 11 a syndicate engaged in the business of insurance through
- 12 the Illinois Insurance Exchange, \$100.
- 13 (gg) For filing articles of incorporation for a
- 14 limited syndicate to join with other subscribers or
- 15 limited syndicates to do business through the Illinois
- 16 Insurance Exchange, \$1,000.
- 17 (hh) For filing amended articles of incorporation for
- 18 a limited syndicate to do business through the Illinois
- 19 Insurance Exchange, \$100.
- 20 (ii) For a permit to solicit subscriptions to a
- 21 syndicate or limited syndicate, \$100.
- 22 (jj) For the filing of each form as required in
- 23 Section 143 of this Code, \$50 per form. Informational and
- 24 advertising filings shall be \$25 per filing. The fee for
- 25 advisory and rating organizations shall be \$200 per form.
- 26 (i) For the purposes of the form filing fee,

1 filings made on insert page basis will be considered
2 one form at the time of its original submission.
3 Changes made to a form subsequent to its approval
4 shall be considered a new filing.

5 (ii) Only one fee shall be charged for a form,
6 regardless of the number of other forms or policies
7 with which it will be used.

8 (iii) Fees charged for a policy filed as it will be
9 issued regardless of the number of forms comprising
10 that policy shall not exceed \$1,500. For advisory or
11 rating organizations, fees charged for a policy filed
12 as it will be issued regardless of the number of forms
13 comprising that policy shall not exceed \$2,500.

14 (iv) The Director may by rule exempt forms from
15 such fees.

16 (kk) For filing an application for licensing of a
17 reinsurance intermediary, \$500.

18 (ll) For filing an application for renewal of a
19 license of a reinsurance intermediary, \$200.

20 (mm) For filing a plan of division of a domestic stock
21 company under Article IIB, \$10,000.

22 (nn) For filing all documents submitted by a foreign
23 or alien company to be a certified reinsurer in this
24 State, except for a fraternal benefit society, \$1,000.

25 (oo) For filing a renewal by a foreign or alien
26 company to be a certified reinsurer in this State, except

1 for a fraternal benefit society, \$400.

2 (pp) For filing all documents submitted by a reinsurer
3 domiciled in a reciprocal jurisdiction, \$1,000.

4 (qq) For filing a renewal by a reinsurer domiciled in
5 a reciprocal jurisdiction, \$400.

6 (rr) For registering a captive management company or
7 renewal thereof, \$50.

8 (2) When printed copies or numerous copies of the same
9 paper or records are furnished or certified, the Director may
10 reduce such fees for copies if he finds them excessive. He may,
11 when he considers it in the public interest, furnish without
12 charge to state insurance departments and persons other than
13 companies, copies or certified copies of reports of
14 examinations and of other papers and records.

15 (3) The expenses incurred in any performance examination
16 authorized by law shall be paid by the company or person being
17 examined. The charge shall be reasonably related to the cost
18 of the examination including but not limited to compensation
19 of examiners, electronic data processing costs, supervision
20 and preparation of an examination report and lodging and
21 travel expenses. All lodging and travel expenses shall be in
22 accord with the applicable travel regulations as published by
23 the Department of Central Management Services and approved by
24 the Governor's Travel Control Board, except that out-of-state
25 lodging and travel expenses related to examinations authorized
26 under Section 132 shall be in accordance with travel rates

1 prescribed under paragraph 301-7.2 of the Federal Travel
2 Regulations, 41 C.F.R. 301-7.2, for reimbursement of
3 subsistence expenses incurred during official travel. All
4 lodging and travel expenses may be reimbursed directly upon
5 authorization of the Director. With the exception of the
6 direct reimbursements authorized by the Director, all
7 performance examination charges collected by the Department
8 shall be paid to the Insurance Producer Administration Fund,
9 however, the electronic data processing costs incurred by the
10 Department in the performance of any examination shall be
11 billed directly to the company being examined for payment to
12 the Technology Management Revolving Fund.

13 (4) At the time of any service of process on the Director
14 as attorney for such service, the Director shall charge and
15 collect the sum of \$40 ~~\$20~~, which may be recovered as taxable
16 costs by the party to the suit or action causing such service
17 to be made if he prevails in such suit or action.

18 (5) (a) The costs incurred by the Department of Insurance
19 in conducting any hearing authorized by law shall be assessed
20 against the parties to the hearing in such proportion as the
21 Director of Insurance may determine upon consideration of all
22 relevant circumstances including: (1) the nature of the
23 hearing; (2) whether the hearing was instigated by, or for the
24 benefit of a particular party or parties; (3) whether there is
25 a successful party on the merits of the proceeding; and (4) the
26 relative levels of participation by the parties.

1 (b) For purposes of this subsection (5) costs incurred
2 shall mean the hearing officer fees, court reporter fees, and
3 travel expenses of Department of Insurance officers and
4 employees; provided however, that costs incurred shall not
5 include hearing officer fees or court reporter fees unless the
6 Department has retained the services of independent
7 contractors or outside experts to perform such functions.

8 (c) The Director shall make the assessment of costs
9 incurred as part of the final order or decision arising out of
10 the proceeding; provided, however, that such order or decision
11 shall include findings and conclusions in support of the
12 assessment of costs. This subsection (5) shall not be
13 construed as permitting the payment of travel expenses unless
14 calculated in accordance with the applicable travel
15 regulations of the Department of Central Management Services,
16 as approved by the Governor's Travel Control Board. The
17 Director as part of such order or decision shall require all
18 assessments for hearing officer fees and court reporter fees,
19 if any, to be paid directly to the hearing officer or court
20 reporter by the party(s) assessed for such costs. The
21 assessments for travel expenses of Department officers and
22 employees shall be reimbursable to the Director of Insurance
23 for deposit to the fund out of which those expenses had been
24 paid.

25 (d) The provisions of this subsection (5) shall apply in
26 the case of any hearing conducted by the Director of Insurance

1 not otherwise specifically provided for by law.

2 (6) The Director shall charge and collect an annual
3 financial regulation fee from every domestic company for
4 examination and analysis of its financial condition and to
5 fund the internal costs and expenses of the Interstate
6 Insurance Receivership Commission as may be allocated to the
7 State of Illinois and companies doing an insurance business in
8 this State pursuant to Article X of the Interstate Insurance
9 Receivership Compact. The fee shall be the greater fixed
10 amount based upon the combination of nationwide direct premium
11 income and nationwide reinsurance assumed premium income or
12 upon admitted assets calculated under this subsection as
13 follows:

14 (a) Combination of nationwide direct premium income
15 and nationwide reinsurance assumed premium.

16 (i) \$150, if the premium is less than \$500,000 and
17 there is no reinsurance assumed premium;

18 (ii) \$750, if the premium is \$500,000 or more, but
19 less than \$5,000,000 and there is no reinsurance
20 assumed premium; or if the premium is less than
21 \$5,000,000 and the reinsurance assumed premium is less
22 than \$10,000,000;

23 (iii) \$3,750, if the premium is less than
24 \$5,000,000 and the reinsurance assumed premium is
25 \$10,000,000 or more;

26 (iv) \$7,500, if the premium is \$5,000,000 or more,

1 but less than \$10,000,000;

2 (v) \$18,000, if the premium is \$10,000,000 or
3 more, but less than \$25,000,000;

4 (vi) \$22,500, if the premium is \$25,000,000 or
5 more, but less than \$50,000,000;

6 (vii) \$30,000, if the premium is \$50,000,000 or
7 more, but less than \$100,000,000;

8 (viii) \$37,500, if the premium is \$100,000,000 or
9 more.

10 (b) Admitted assets.

11 (i) \$150, if admitted assets are less than
12 \$1,000,000;

13 (ii) \$750, if admitted assets are \$1,000,000 or
14 more, but less than \$5,000,000;

15 (iii) \$3,750, if admitted assets are \$5,000,000 or
16 more, but less than \$25,000,000;

17 (iv) \$7,500, if admitted assets are \$25,000,000 or
18 more, but less than \$50,000,000;

19 (v) \$18,000, if admitted assets are \$50,000,000 or
20 more, but less than \$100,000,000;

21 (vi) \$22,500, if admitted assets are \$100,000,000
22 or more, but less than \$500,000,000;

23 (vii) \$30,000, if admitted assets are \$500,000,000
24 or more, but less than \$1,000,000,000;

25 (viii) \$37,500, if admitted assets are
26 \$1,000,000,000 or more.

1 (c) The sum of financial regulation fees charged to
2 the domestic companies of the same affiliated group shall
3 not exceed \$250,000 in the aggregate in any single year
4 and shall be billed by the Director to the member company
5 designated by the group.

6 (7) The Director shall charge and collect an annual
7 financial regulation fee from every foreign or alien company,
8 except fraternal benefit societies, for the examination and
9 analysis of its financial condition and to fund the internal
10 costs and expenses of the Interstate Insurance Receivership
11 Commission as may be allocated to the State of Illinois and
12 companies doing an insurance business in this State pursuant
13 to Article X of the Interstate Insurance Receivership Compact.
14 The fee shall be a fixed amount based upon Illinois direct
15 premium income and nationwide reinsurance assumed premium
16 income in accordance with the following schedule:

17 (a) \$150, if the premium is less than \$500,000 and
18 there is no reinsurance assumed premium;

19 (b) \$750, if the premium is \$500,000 or more, but less
20 than \$5,000,000 and there is no reinsurance assumed
21 premium; or if the premium is less than \$5,000,000 and the
22 reinsurance assumed premium is less than \$10,000,000;

23 (c) \$3,750, if the premium is less than \$5,000,000 and
24 the reinsurance assumed premium is \$10,000,000 or more;

25 (d) \$7,500, if the premium is \$5,000,000 or more, but
26 less than \$10,000,000;

1 (e) \$18,000, if the premium is \$10,000,000 or more,
2 but less than \$25,000,000;

3 (f) \$22,500, if the premium is \$25,000,000 or more,
4 but less than \$50,000,000;

5 (g) \$30,000, if the premium is \$50,000,000 or more,
6 but less than \$100,000,000;

7 (h) \$37,500, if the premium is \$100,000,000 or more.

8 The sum of financial regulation fees under this subsection
9 (7) charged to the foreign or alien companies within the same
10 affiliated group shall not exceed \$250,000 in the aggregate in
11 any single year and shall be billed by the Director to the
12 member company designated by the group.

13 (8) Beginning January 1, 1992, the financial regulation
14 fees imposed under subsections (6) and (7) of this Section
15 shall be paid by each company or domestic affiliated group
16 annually. After January 1, 1994, the fee shall be billed by
17 Department invoice based upon the company's premium income or
18 admitted assets as shown in its annual statement for the
19 preceding calendar year. The invoice is due upon receipt and
20 must be paid no later than June 30 of each calendar year. All
21 financial regulation fees collected by the Department shall be
22 paid to the Insurance Financial Regulation Fund. The
23 Department may not collect financial examiner per diem charges
24 from companies subject to subsections (6) and (7) of this
25 Section undergoing financial examination after June 30, 1992.

26 (9) In addition to the financial regulation fee required

1 by this Section, a company undergoing any financial
2 examination authorized by law shall pay the following costs
3 and expenses incurred by the Department: electronic data
4 processing costs, the expenses authorized under Section 131.21
5 and subsection (d) of Section 132.4 of this Code, and lodging
6 and travel expenses.

7 Electronic data processing costs incurred by the
8 Department in the performance of any examination shall be
9 billed directly to the company undergoing examination for
10 payment to the Technology Management Revolving Fund. Except
11 for direct reimbursements authorized by the Director or direct
12 payments made under Section 131.21 or subsection (d) of
13 Section 132.4 of this Code, all financial regulation fees and
14 all financial examination charges collected by the Department
15 shall be paid to the Insurance Financial Regulation Fund.

16 All lodging and travel expenses shall be in accordance
17 with applicable travel regulations published by the Department
18 of Central Management Services and approved by the Governor's
19 Travel Control Board, except that out-of-state lodging and
20 travel expenses related to examinations authorized under
21 Sections 132.1 through 132.7 shall be in accordance with
22 travel rates prescribed under paragraph 301-7.2 of the Federal
23 Travel Regulations, 41 C.F.R. 301-7.2, for reimbursement of
24 subsistence expenses incurred during official travel. All
25 lodging and travel expenses may be reimbursed directly upon
26 the authorization of the Director.

1 In the case of an organization or person not subject to the
2 financial regulation fee, the expenses incurred in any
3 financial examination authorized by law shall be paid by the
4 organization or person being examined. The charge shall be
5 reasonably related to the cost of the examination including,
6 but not limited to, compensation of examiners and other costs
7 described in this subsection.

8 (10) Any company, person, or entity failing to make any
9 payment of \$150 or more as required under this Section shall be
10 subject to the penalty and interest provisions provided for in
11 subsections (4) and (7) of Section 412.

12 (11) Unless otherwise specified, all of the fees collected
13 under this Section shall be paid into the Insurance Financial
14 Regulation Fund.

15 (12) For purposes of this Section:

16 (a) "Domestic company" means a company as defined in
17 Section 2 of this Code which is incorporated or organized
18 under the laws of this State, and in addition includes a
19 not-for-profit corporation authorized under the Dental
20 Service Plan Act or the Voluntary Health Services Plans
21 Act, a health maintenance organization, and a limited
22 health service organization.

23 (b) "Foreign company" means a company as defined in
24 Section 2 of this Code which is incorporated or organized
25 under the laws of any state of the United States other than
26 this State and in addition includes a health maintenance

1 organization and a limited health service organization
2 which is incorporated or organized under the laws of any
3 state of the United States other than this State.

4 (c) "Alien company" means a company as defined in
5 Section 2 of this Code which is incorporated or organized
6 under the laws of any country other than the United
7 States.

8 (d) "Fraternal benefit society" means a corporation,
9 society, order, lodge or voluntary association as defined
10 in Section 282.1 of this Code.

11 (e) "Mutual benefit association" means a company,
12 association or corporation authorized by the Director to
13 do business in this State under the provisions of Article
14 XVIII of this Code.

15 (f) "Burial society" means a person, firm,
16 corporation, society or association of individuals
17 authorized by the Director to do business in this State
18 under the provisions of Article XIX of this Code.

19 (g) "Farm mutual" means a district, county and
20 township mutual insurance company authorized by the
21 Director to do business in this State under the provisions
22 of the Farm Mutual Insurance Company Act of 1986.

23 (Source: P.A. 100-23, eff. 7-6-17.)

24 (215 ILCS 5/416)

25 Sec. 416. Illinois Workers' Compensation Commission

1 Operations Fund Surcharge.

2 (a) As of July 30, 2004 (the effective date of Public Act
3 93-840), every company licensed or authorized by the Illinois
4 Department of Insurance and insuring employers' liabilities
5 arising under the Workers' Compensation Act or the Workers'
6 Occupational Diseases Act shall remit to the Director a
7 surcharge based upon the annual direct written premium, as
8 reported under Section 136 of this Act, of the company in the
9 manner provided in this Section. Such proceeds shall be
10 deposited into the Illinois Workers' Compensation Commission
11 Operations Fund as established in the Workers' Compensation
12 Act. If a company survives or was formed by a merger,
13 consolidation, reorganization, or reincorporation, the direct
14 written premiums of all companies party to the merger,
15 consolidation, reorganization, or reincorporation shall, for
16 purposes of determining the amount of the fee imposed by this
17 Section, be regarded as those of the surviving or new company.

18 (b)(1) Except as provided in subsection (b)(2) of this
19 Section, beginning on July 30, 2004 (the effective date of
20 Public Act 93-840) and on July 1 of each year thereafter, the
21 Director shall charge an annual Illinois Workers' Compensation
22 Commission Operations Fund Surcharge from every company
23 subject to subsection (a) of this Section equal to 1.01% of its
24 direct written premium for insuring employers' liabilities
25 arising under the Workers' Compensation Act or Workers'
26 Occupational Diseases Act as reported in each company's annual

1 statement filed for the previous year as required by Section
2 136. The Illinois Workers' Compensation Commission Operations
3 Fund Surcharge shall be collected by companies subject to
4 subsection (a) of this Section as a separately stated
5 surcharge on insured employers at the rate of 1.01% of direct
6 written premium. The Illinois Workers' Compensation Commission
7 Operations Fund Surcharge shall not be collected by companies
8 subject to subsection (a) of this Section from any employer
9 that self-insures its liabilities arising under the Workers'
10 Compensation Act or Workers' Occupational Diseases Act,
11 provided that the employer has paid the Illinois Workers'
12 Compensation Commission Operations Fund Fee pursuant to
13 Section 4d of the Workers' Compensation Act. All sums
14 collected by the Department of Insurance under the provisions
15 of this Section shall be paid promptly after the receipt of the
16 same, accompanied by a detailed statement thereof, into the
17 Illinois Workers' Compensation Commission Operations Fund in
18 the State treasury.

19 (b)(2) The surcharge due pursuant to Public Act 93-840
20 shall be collected instead of the surcharge due on July 1, 2004
21 under Public Act 93-32. Payment of the surcharge due under
22 Public Act 93-840 shall discharge the employer's obligations
23 due on July 1, 2004.

24 (c) In addition to the authority specifically granted
25 under Article XXV of this Code, the Director shall have such
26 authority to adopt rules or establish forms as may be

1 reasonably necessary for purposes of enforcing this Section.
2 The Director shall also have authority to defer, waive, or
3 abate the surcharge or any penalties imposed by this Section
4 if in the Director's opinion the company's solvency and
5 ability to meet its insured obligations would be immediately
6 threatened by payment of the surcharge due.

7 (d) When a company fails to pay the full amount of any
8 annual Illinois Workers' Compensation Commission Operations
9 Fund Surcharge of \$100 or more due under this Section, there
10 shall be added to the amount due as a penalty ~~the greater of~~
11 ~~\$1,000 or~~ an amount equal to 10% ~~5%~~ of the deficiency for each
12 month or part of a month that the deficiency remains unpaid.

13 (e) The Department of Insurance may enforce the collection
14 of any delinquent payment, penalty, or portion thereof by
15 legal action or in any other manner by which the collection of
16 debts due the State of Illinois may be enforced under the laws
17 of this State.

18 (f) Whenever it appears to the satisfaction of the
19 Director that a company has paid pursuant to this Act an
20 Illinois Workers' Compensation Commission Operations Fund
21 Surcharge in an amount in excess of the amount legally
22 collectable from the company, the Director shall issue a
23 credit memorandum for an amount equal to the amount of such
24 overpayment. A credit memorandum may be applied for the 2-year
25 period from the date of issuance, against the payment of any
26 amount due during that period under the surcharge imposed by

1 this Section or, subject to reasonable rule of the Department
2 of Insurance including requirement of notification, may be
3 assigned to any other company subject to regulation under this
4 Act. Any application of credit memoranda after the period
5 provided for in this Section is void.

6 (g) Annually, the Governor may direct a transfer of up to
7 2% of all moneys collected under this Section to the Insurance
8 Financial Regulation Fund.

9 (Source: P.A. 95-331, eff. 8-21-07.)

10 Section 95. No acceleration or delay. Where this Act makes
11 changes in a statute that is represented in this Act by text
12 that is not yet or no longer in effect (for example, a Section
13 represented by multiple versions), the use of that text does
14 not accelerate or delay the taking effect of (i) the changes
15 made by this Act or (ii) provisions derived from any other
16 Public Act.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.