



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB2417

Introduced 2/10/2023, by Sen. Michael W. Halpin

#### SYNOPSIS AS INTRODUCED:

New Act  
215 ILCS 5/500-35  
215 ILCS 5/1565  
225 ILCS 454/5-70

Creates the Improving Access to Flood Insurance Act. Provides that each insurance producer, public adjuster, managing broker, broker, and employee of a lender shall participate in at least 3 hours of National Flood Insurance Program training. Provides that the insurance producer, public adjuster, managing broker, broker, or lender shall submit evidence of satisfaction of the requirement to the entity that regulates that profession. Requires the Department of Insurance to: provide a list of pre-approved courses available through the Federal Emergency Management Agency's Emergency Management Institute and other educational institutions the Department determines provide information and training equivalent to the Federal Emergency Management Agency's Emergency Management Institute; and to provide instructions for an insurance producer, public adjuster, managing broker, broker, lender, or employee of a lender to apply and secure credit for course work that meets equivalent educational goals but that is not included on the pre-approved list. Provides that a violation of the Act shall be considered a violation of any other law under which the insurance producer, public adjuster, managing broker, broker, or lender is licensed, chartered, or organized. Makes conforming changes in the Illinois Insurance Code and the Real Estate License Act of 2000.

LRB103 27618 BMS 53994 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 1. Short title. This Act may be cited as the  
5 Improving Access to Flood Insurance Act.

6 Section 5. Definitions. As used in this Act:

7 "Broker" has the meaning given to that term in the Real  
8 Estate License Act of 2000.

9 "Lender" means a bank, a savings bank, or a credit union  
10 chartered or organized under the laws of the State of Illinois  
11 that engages in real estate lending.

12 "Managing broker" has the meaning given to that term in  
13 the Real Estate License Act of 2000.

14 "National Flood Insurance Program training" means any  
15 class or continuing education opportunity where the main  
16 topics include:

17 (1) the National Flood Insurance Program;

18 (2) elements of the National Flood Insurance Program;

19 or

20 (3) flood insurance premium reduction strategies, such  
21 as floodplain management, flood risk reduction, or flood  
22 hazard mitigation.

1           Section 10. National Flood Insurance Program training  
2 requirement. In addition to any other continuing education  
3 requirements that may apply for that profession, each  
4 insurance producer, public adjuster, managing broker, broker,  
5 and employee of a lender shall participate in at least 3 hours  
6 of National Flood Insurance Program training. The insurance  
7 producer, public adjuster, managing broker, broker, or lender  
8 shall submit evidence of satisfaction of the requirements of  
9 this Section to the entity that regulates that profession. The  
10 Department of Insurance shall provide a list of pre-approved  
11 courses available through the Federal Emergency Management  
12 Agency's Emergency Management Institute and other educational  
13 institutions the Department determines provide information and  
14 training equivalent to the Federal Emergency Management  
15 Agency's Emergency Management Institute. The Department of  
16 Insurance shall also provide instructions for an insurance  
17 producer, public adjuster, managing broker, broker, lender, or  
18 employee of a lender to apply and secure credit for course work  
19 that meets equivalent educational goals but that is not  
20 included on the pre-approved list.

21           Section 15. Violation of the Act. A violation of this Act  
22 shall be considered a violation of any other law under which  
23 the insurance producer, public adjuster, managing broker,  
24 broker, or lender is licensed, chartered, or organized.

1 Section 105. The Illinois Insurance Code is amended by  
2 changing Sections 500-35 and 1565 as follows:

3 (215 ILCS 5/500-35)

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

5 Sec. 500-35. License.

6 (a) Unless denied a license pursuant to Section 500-70,  
7 persons who have met the requirements of Sections 500-25 and  
8 500-30 shall be issued a 2-year insurance producer license. An  
9 insurance producer may receive qualification for a license in  
10 one or more of the following lines of authority:

11 (1) Life: insurance coverage on human lives including  
12 benefits of endowment and annuities, and may include  
13 benefits in the event of death or dismemberment by  
14 accident and benefits for disability income.

15 (2) Variable life and variable annuity products:  
16 insurance coverage provided under variable life insurance  
17 contracts and variable annuities.

18 (3) Accident and health or sickness: insurance  
19 coverage for sickness, bodily injury, or accidental death  
20 and may include benefits for disability income.

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

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

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

4           (7) Any other line of insurance permitted under State  
5 laws or rules.

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

10           (1) Before each license renewal, an insurance producer  
11 must satisfactorily complete at least 24 hours of course  
12 study or participation in a professional insurance  
13 association under paragraph (3) of this subsection in  
14 accordance with rules prescribed by the Director. Three of  
15 the 24 hours of course study must consist of classroom or  
16 webinar ethics instruction. The Director may not approve a  
17 course of study unless the course provides for classroom,  
18 seminar, webinar, or self-study instruction methods. A  
19 course given in a combination instruction method of  
20 classroom, seminar, webinar, or self-study shall be deemed  
21 to be a self-study course unless the classroom, seminar,  
22 or webinar certified hours meets or exceeds two-thirds of  
23 total hours certified for the course. The self-study  
24 material used in the combination course must be directly  
25 related to and complement the classroom portion of the  
26 course in order to be considered for credit. An

1 instruction method other than classroom or seminar shall  
2 be considered as self-study methodology. Self-study credit  
3 hours require the successful completion of an examination  
4 covering the self-study material. The examination may not  
5 be self-evaluated. However, if the self-study material is  
6 completed through the use of an approved computerized  
7 interactive format whereby the computer validates the  
8 successful completion of the self-study material, no  
9 additional examination is required. The self-study credit  
10 hours contained in a certified course shall be considered  
11 classroom hours when at least two-thirds of the hours are  
12 given as classroom or seminar instruction. In addition to  
13 any other requirements under this Section, an insurance  
14 producer shall comply with the Improving Access to Flood  
15 Insurance Act.

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

23 (3) An insurance producer's active participation in a  
24 State or national professional insurance association may  
25 be approved by the Director for up to 4 hours of continuing  
26 education credit per biennial reporting period. Credit

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

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

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

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

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

23 (d) An individual insurance producer who allows his or her  
24 license to lapse may, within 12 months after the due date of  
25 the renewal fee, be issued a license without the necessity of  
26 passing a written examination. However, a penalty in the

1 amount of double the unpaid renewal fee shall be required  
2 after the due date.

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

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

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

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

21 (Source: P.A. 102-766, eff. 1-1-23.)

22 (215 ILCS 5/1565)

23 Sec. 1565. Continuing education.

24 (a) An individual who holds a public adjuster license and  
25 who is not exempt under subsection (b) of this Section shall



1 satisfactorily complete a minimum of 24 hours of continuing  
2 education courses, including 3 hours of classroom or webinar  
3 ethics instruction, reported on a biennial basis in  
4 conjunction with the license renewal cycle.

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

26 The public adjuster must complete the course in advance of

1 the renewal date to allow the education provider time to  
2 report the credit to the Department.

3 (b) This Section shall not apply to:

4 (1) licensees not licensed for one full year prior to  
5 the end of the applicable continuing education biennium;  
6 or

7 (2) licensees holding nonresident public adjuster  
8 licenses who have met the continuing education  
9 requirements of their home state and whose home state  
10 gives credit to residents of this State on the same basis.

11 (c) Only continuing education courses approved by the  
12 Director shall be used to satisfy the continuing education  
13 requirement of subsection (a) of this Section.

14 (d) In addition to any other requirements under this  
15 Section, a public adjuster shall comply with the Improving  
16 Access to Flood Insurance Act.

17 (Source: P.A. 102-135, eff. 7-23-21.)

18 Section 110. The Real Estate License Act of 2000 is  
19 amended by changing Section 5-70 as follows:

20 (225 ILCS 454/5-70)

21 (Section scheduled to be repealed on January 1, 2030)

22 Sec. 5-70. Continuing education requirement; managing  
23 broker or broker.

24 (a) The requirements of this Section apply to all managing

1 brokers and brokers.

2 (b) Except as otherwise provided in this Section, each  
3 person who applies for renewal of a license as a managing  
4 broker or broker must successfully complete 12 hours of real  
5 estate continuing education courses recommended by the Board  
6 and approved by the Department during the current term of the  
7 license. In addition, those licensees renewing or obtaining a  
8 managing broker's license must successfully complete a 12-hour  
9 broker management continuing education course approved by the  
10 Department during the current term of the license. The broker  
11 management continuing education course must be completed in  
12 the classroom or through a live, interactive webinar or online  
13 distance education format. No license may be renewed except  
14 upon the successful completion of the required courses or  
15 their equivalent or upon a waiver of those requirements for  
16 good cause shown as determined by the Secretary upon the  
17 recommendation of the Board. The requirements of this Article  
18 are applicable to all managing brokers and brokers except  
19 those managing brokers and brokers who, during the current  
20 term of licensure:

21 (1) serve in the armed services of the United States;

22 (2) serve as an elected State or federal official;

23 (3) serve as a full-time employee of the Department;

24 or

25 (4) are admitted to practice law pursuant to Illinois  
26 Supreme Court rule.

1 (c) (Blank).

2 (d) A person receiving an initial license during the 90  
3 days before the renewal date shall not be required to complete  
4 the continuing education courses provided for in subsection  
5 (b) of this Section as a condition of initial license renewal.

6 (e) The continuing education requirement for brokers and  
7 managing brokers shall consist of a single core curriculum and  
8 an elective curriculum, to be recommended by the Board and  
9 approved by the Department in accordance with this subsection.  
10 The core curriculum shall not be further divided into  
11 subcategories or divisions of instruction. The core curriculum  
12 shall consist of 4 hours during the current term of the license  
13 on subjects that may include, but are not limited to,  
14 advertising, agency, disclosures, escrow, fair housing,  
15 residential leasing agent management, and license law. The  
16 amount of time allotted to each of these subjects shall be  
17 recommended by the Board and determined by the Department. The  
18 Department, upon the recommendation of the Board, shall review  
19 the core curriculum every 4 years, at a minimum, and shall  
20 revise the curriculum if necessary. However, the core  
21 curriculum's total hourly requirement shall only be subject to  
22 change by amendment of this subsection, and any change to the  
23 core curriculum shall not be effective for a period of 6 months  
24 after such change is made by the Department. The Department  
25 shall provide notice to all approved education providers of  
26 any changes to the core curriculum. When determining whether

1 revisions of the core curriculum's subjects or specific time  
2 requirements are necessary, the Board shall consider recent  
3 changes in applicable laws, new laws, and areas of the license  
4 law and the Department policy that the Board deems  
5 appropriate, and any other subject areas the Board deems  
6 timely and applicable in order to prevent violations of this  
7 Act and to protect the public. In establishing a  
8 recommendation to the Department regarding the elective  
9 curriculum, the Board shall consider subjects that cover the  
10 various aspects of the practice of real estate that are  
11 covered under the scope of this Act.

12 (f) The subject areas of continuing education courses  
13 recommended by the Board and approved by the Department shall  
14 be meant to protect the professionalism of the industry, the  
15 consumer, and the public and prevent violations of this Act  
16 and may include without limitation the following:

- 17 (1) license law and escrow;
- 18 (2) antitrust;
- 19 (3) fair housing;
- 20 (4) agency;
- 21 (5) appraisal;
- 22 (6) property management;
- 23 (7) residential brokerage;
- 24 (8) farm property management;
- 25 (9) transaction management rights and duties of  
26 parties in a transaction;

- 1           (10) commercial brokerage and leasing;
- 2           (11) real estate financing;
- 3           (12) disclosures;
- 4           (13) residential leasing agent management;
- 5           (14) advertising;
- 6           (15) broker supervision and designated managing broker  
7           responsibility;
- 8           (16) professional conduct; and
- 9           (17) use of technology.

10          (g) In lieu of credit for those courses listed in  
11          subsection (f) of this Section, credit may be earned for  
12          serving as a licensed instructor in an approved course of  
13          continuing education. The amount of credit earned for teaching  
14          a course shall be the amount of continuing education credit  
15          for which the course is approved for licensees taking the  
16          course.

17          (h) Credit hours may be earned for self-study programs  
18          approved by the Department.

19          (i) A managing broker or broker may earn credit for a  
20          specific continuing education course only once during the  
21          current term of the license.

22          (j) No more than 12 hours of continuing education credit  
23          may be taken in one calendar day.

24          (k) To promote the offering of a uniform and consistent  
25          course content, the Department may provide for the development  
26          of a single broker management course to be offered by all

1 education providers who choose to offer the broker management  
2 continuing education course. The Department may contract for  
3 the development of the 12-hour broker management continuing  
4 education course with an outside vendor or consultant and, if  
5 the course is developed in this manner, the Department or the  
6 outside consultant shall license the use of that course to all  
7 approved education providers who wish to provide the course.

8 (l) Except as specifically provided in this Act,  
9 continuing education credit hours may not be earned for  
10 completion of pre-license or post-license courses. The courses  
11 comprising the approved 45-hour post-license curriculum for  
12 broker licensees shall satisfy the continuing education  
13 requirement for the initial broker license term. The approved  
14 45-hour managing broker pre-license brokerage administration  
15 and management course shall satisfy the 12-hour broker  
16 management continuing education requirement for the initial  
17 managing broker license term.

18 (m) In addition to any other requirements of this Section,  
19 a managing broker or broker shall comply with the Improving  
20 Access to Flood Insurance Act.

21 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)