



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4472**

Introduced 02/03/04, by Frank J. Mautino

**SYNOPSIS AS INTRODUCED:**

|                    |                          |
|--------------------|--------------------------|
| 215 ILCS 5/123B-8  | from Ch. 73, par. 735B-8 |
| 215 ILCS 5/179A-15 |                          |
| 215 ILCS 5/179E-65 |                          |
| 215 ILCS 5/408     | from Ch. 73, par. 1020   |

Amends the Illinois Insurance Code. Increases various fees imposed by the Department of Insurance. Effective immediately.

LRB093 16344 SAS 41982 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning the Department of Insurance.

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 Sections 123B-8, 179A-15, 179E-65, and 408 as follows:

6 (215 ILCS 5/123B-8) (from Ch. 73, par. 735B-8)

7 Sec. 123B-8. Notice and registration requirements of  
8 purchasing groups.

9 A. A purchasing group that intends to do business in this  
10 State shall, prior to doing business, furnish notice to the  
11 Director, on a form prescribed by the Director, that shall:

12 (1) identify the state in which the group is domiciled;

13 (2) specify the lines and classifications of liability  
14 insurance which the purchasing group intends to purchase;

15 (3) identify the insurance company from which the group  
16 intends to purchase its insurance and the domicile of such  
17 company;

18 (4) specify the method by which, and the person or  
19 persons, if any, through whom insurance will be offered to  
20 its members whose risks are resident or located in this  
21 State;

22 (5) identify the principal place of business of the  
23 group;

24 (6) identify all other states in which the group  
25 intends to do business; and

26 (7) provide such other information as may be required  
27 by the Director to verify that the purchasing group is  
28 qualified under subsection (10) of Section 123B-2 of this  
29 Article.

30 B. A purchasing group shall, within 10 days, notify the  
31 Director of any changes in any item set forth in subsection A  
32 of this Section.

1 C. The purchasing group shall register with and designate  
2 the Director as its agent solely for the purpose of receiving  
3 service of legal documents or process, for which a filing fee  
4 of \$200 ~~\$100~~ payable to the Director shall be required, except  
5 that such requirements shall not apply in the case of a  
6 purchasing group:

7 (1) which in any state of the United States:

8 (a) was domiciled before April 2, 1986; and

9 (b) is domiciled on and after October 27, 1986, in  
10 any state of the United States;

11 (2) which:

12 (a) before October 27, 1986, purchased insurance  
13 from an insurance carrier licensed in any state; and

14 (b) since October 27, 1986, purchased its  
15 insurance from an insurance carrier licensed in any  
16 state;

17 (3) which was a purchasing group under the requirements  
18 of the Product Liability Risk Retention Act of 1981 before  
19 October 27, 1986; and

20 (4) which does not purchase insurance that was not  
21 authorized for purposes of an exemption under that Act, as  
22 in effect before October 27, 1986.

23 D. Any purchasing group which was doing business in this  
24 State prior to August 3, 1987, shall, within 30 days after that  
25 date, furnish notice to the Director pursuant to the provisions  
26 of subsection A of this Section and furnish such information as  
27 may be required pursuant to subsection B of this Section.

28 (Source: P.A. 87-1090.)

29 (215 ILCS 5/179A-15)

30 Sec. 179A-15. Establishment of protected cells.

31 (a) A domestic company may, with the prior written approval  
32 by the Director of a plan of operation submitted by the  
33 domestic company with respect to each protected cell, establish  
34 one or more protected cells in connection with an insurance  
35 securitization. Upon the written approval by the Director of

1 the plan of operation, which shall include, but not be limited  
2 to, the specific business and investment guidelines of the  
3 protected cell, the protected cell company may, in accordance  
4 with the approved plan of operation, attribute to the protected  
5 cell insurance obligations with respect to its insurance  
6 business and obligations relating to the insurance  
7 securitization and assets to fund those obligations. A  
8 protected cell shall have its own distinct name or designation,  
9 which shall include the words "protected cell". The protected  
10 cell company shall transfer all assets attributable to a  
11 protected cell to one or more separately established and  
12 identified protected cell accounts bearing the name or  
13 designation of that protected cell. Protected cell assets shall  
14 be held in the protected cell accounts for the purpose of  
15 satisfying the obligations of that protected cell. The Director  
16 shall charge \$5,000 for filing a plan of operation.

17 (b) All attributions of assets and liabilities between a  
18 protected cell and the general account shall be in accordance  
19 with the plan of operation approved by the Director. No other  
20 attribution of assets or liabilities may be made by a protected  
21 cell company between the protected cell company's general  
22 account and its protected cells. Any attribution of assets and  
23 liabilities between the general account and a protected cell or  
24 from investors in the form of principal on a debt instrument  
25 issued by a protected cell company shall be in cash or in  
26 readily marketable securities with established market values.

27 (c) The creation of a protected cell does not create, in  
28 respect of that protected cell, a legal person separate from  
29 the protected cell company. Amounts attributed to a protected  
30 cell under this Article, including assets transferred to a  
31 protected cell account, are owned by the protected cell company  
32 and the protected cell company may not be, nor hold itself out  
33 to be, a trustee with respect to those protected cell assets of  
34 that protected cell account. Notwithstanding the foregoing,  
35 the company may allow for a security interest to attach to  
36 protected cell assets or a protected cell account when in favor

1 of a creditor of the protected cell and otherwise allowed under  
2 applicable law.

3 (d) This Article shall not be construed to prohibit the  
4 protected cell company from contracting with or arranging for  
5 an investment advisor, commodity trading advisor, or other  
6 third party to manage the protected cell assets of a protected  
7 cell, provided that all remuneration, expenses, and other  
8 compensation of the third party advisor or manager are payable  
9 from the protected cell assets of that protected cell and not  
10 from the protected cell assets of other protected cells or the  
11 assets of the protected cell company's general account.

12 (e) A protected cell company shall establish  
13 administrative and accounting procedures necessary to properly  
14 identify the one or more protected cells of the protected cell  
15 company and the protected cell assets and protected cell  
16 liabilities attributable to the protected cells. It shall be  
17 the duty of the directors of a protected cell company to:

18 (1) keep protected cell assets and protected cell  
19 liabilities separate and separately identifiable from the  
20 assets and liabilities of the protected cell company's  
21 general account; and

22 (2) keep protected cell assets and protected cell  
23 liabilities attributable to one protected cell separate  
24 and separately identifiable from protected cell assets and  
25 protected cell liabilities attributable to other protected  
26 cells.

27 If this Section is violated, the remedy of tracing shall be  
28 applicable to protected cell assets when commingled with  
29 protected cell assets of other protected cells or the assets of  
30 the protected cell company's general account. The remedy of  
31 tracing shall not be construed as an exclusive remedy.

32 (f) The protected cell company shall, when establishing a  
33 protected cell, attribute to the protected cell assets with a  
34 value at least equal to the reserves and other insurance  
35 liabilities attributed to that protected cell.

36 (Source: P.A. 91-278, eff. 7-23-99; 92-74, eff. 7-12-01.)

1 (215 ILCS 5/179E-65)

2 Sec. 179E-65. Fees and taxes. The Director shall charge:

3 (1) \$5,000 for review of the plan of operation of a SPRV.

4 (2) \$1,000 for filing financial statements.

5 ~~The Director may charge fees to reimburse the Director for~~  
6 ~~expenses and costs incurred by the Department incident to the~~  
7 ~~examination of financial statements and review of the plan of~~  
8 ~~operation and to reimburse other such activities of the~~  
9 ~~Director related to the formation and ongoing operation of an~~  
10 ~~SPRV.~~ An SPRV is not be subject to State premium or other State  
11 taxes incidental to the operation of its business as long as  
12 the business remains within the limitations of this Article.

13 (Source: P.A. 92-124, eff. 7-20-01.)

14 (215 ILCS 5/408) (from Ch. 73, par. 1020)

15 Sec. 408. Fees and charges.

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

18 (a) For filing all documents submitted for the  
19 incorporation or organization or certification of a  
20 domestic company, except for a fraternal benefit society,  
21 \$2,000.

22 (b) For filing all documents submitted for the  
23 incorporation or organization of a fraternal benefit  
24 society, \$500.

25 (c) For filing amendments to articles of incorporation  
26 and amendments to declaration of organization, except for a  
27 fraternal benefit society, a mutual benefit association, a  
28 burial society or a farm mutual, \$200.

29 (d) For filing amendments to articles of incorporation  
30 of a fraternal benefit society, a mutual benefit  
31 association or a burial society, \$100.

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

34 (f) For filing bylaws or amendments thereto, \$50.

- 1 (g) For filing agreement of merger or consolidation:
- 2 (i) for a domestic company, except for a fraternal
- 3 benefit society, a mutual benefit association, a
- 4 burial society, or a farm mutual, \$2,000.
- 5 (ii) for a foreign or alien company, except for a
- 6 fraternal benefit society, \$600.
- 7 (iii) for a fraternal benefit society, a mutual
- 8 benefit association, a burial society, or a farm
- 9 mutual, \$200.
- 10 (h) For filing agreements of reinsurance by a domestic
- 11 company, \$200.
- 12 (i) For filing all documents submitted by a foreign or
- 13 alien company to be admitted to transact business or
- 14 accredited as a reinsurer in this State, except for a
- 15 fraternal benefit society, \$5,000.
- 16 (j) For filing all documents submitted by a foreign or
- 17 alien fraternal benefit society to be admitted to transact
- 18 business in this State, \$500.
- 19 (k) For filing declaration of withdrawal of a foreign
- 20 or alien company, \$50.
- 21 (l) For filing annual statement, except a fraternal
- 22 benefit society, a mutual benefit association, a burial
- 23 society, or a farm mutual, \$200.
- 24 (m) For filing annual statement by a fraternal benefit
- 25 society, \$100.
- 26 (n) For filing annual statement by a farm mutual, a
- 27 mutual benefit association, or a burial society, \$50.
- 28 (o) For issuing a certificate of authority or renewal
- 29 thereof except to a fraternal benefit society, \$200.
- 30 (p) For issuing a certificate of authority or renewal
- 31 thereof to a fraternal benefit society, \$100.
- 32 (q) For issuing an amended certificate of authority,
- 33 \$50.
- 34 (r) For each certified copy of certificate of
- 35 authority, \$20.
- 36 (s) For each certificate of deposit, or valuation, or

1 compliance or surety certificate, \$20.

2 (t) For copies of papers or records per page, \$2 ~~\$1~~.

3 (u) For each certification to copies of papers or  
4 records, \$20 ~~\$10~~.

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

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

14 (i) in connection with a public stock offering,  
15 \$300;

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

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

19 (y) For filing a plan of exchange of the stock of a  
20 domestic stock insurance company, a plan of  
21 demutualization of a domestic mutual company, or a plan of  
22 reorganization under Article XII, \$2,000.

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

25 (aa) For filing an agreement to purchase the business  
26 of an organization authorized under the Dental Service Plan  
27 Act or the Voluntary Health Services Plans Act or of a  
28 health maintenance organization or a limited health  
29 service organization, \$2,000.

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

33 (cc) For filing a registration statement as required in  
34 Sections 131.13 and 131.14, the notification as required by  
35 Sections 131.16, 131.20a, or 141.4, or an agreement or  
36 transaction required by Sections 124.2(2), 141, 141a, or



1 141.1, \$200.

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

3 (i) a religious or charitable risk pooling trust or  
4 a workers' compensation pool, \$1,000;

5 (ii) a workers' compensation service company,  
6 \$500;

7 (iii) a self-insured automobile fleet, \$200; or

8 (iv) a renewal of or amendment of any license  
9 issued pursuant to (i), (ii), or (iii) above, \$100.

10 (ee) For filing articles of incorporation for a  
11 syndicate to engage in the business of insurance through  
12 the Illinois Insurance Exchange, \$2,000.

13 (ff) For filing amended articles of incorporation for a  
14 syndicate engaged in the business of insurance through the  
15 Illinois Insurance Exchange, \$100.

16 (gg) For filing articles of incorporation for a limited  
17 syndicate to join with other subscribers or limited  
18 syndicates to do business through the Illinois Insurance  
19 Exchange, \$1,000.

20 (hh) For filing amended articles of incorporation for a  
21 limited syndicate to do business through the Illinois  
22 Insurance Exchange, \$100.

23 (ii) For a permit to solicit subscriptions to a  
24 syndicate or limited syndicate, \$100.

25 (jj) For the filing of each form as required in Section  
26 143 of this Code, \$50 per form. The fee for advisory and  
27 rating organizations shall be \$200 per form.

28 (i) For the purposes of the form filing fee,  
29 filings made on insert page basis will be considered  
30 one form at the time of its original submission.  
31 Changes made to a form subsequent to its approval shall  
32 be considered a new filing.

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

36 (iii) Fees charged for a policy filed as it will be

1 issued regardless of the number of forms comprising  
2 that policy shall not exceed \$1,000 or \$2,000 for  
3 advisory or rating organizations.

4 (iv) The Director may by rule exempt forms from  
5 such fees.

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

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

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

17 (3) The expenses incurred in any performance examination  
18 authorized by law shall be paid by the company or person being  
19 examined. The charge shall be reasonably related to the cost of  
20 the examination including but not limited to compensation of  
21 examiners, electronic data processing costs, supervision and  
22 preparation of an examination report and lodging and travel  
23 expenses. All lodging and travel expenses shall be in accord  
24 with the applicable travel regulations as published by the  
25 Department of Central Management Services and approved by the  
26 Governor's Travel Control Board, except that out-of-state  
27 lodging and travel expenses related to examinations authorized  
28 under Section 132 shall be in accordance with travel rates  
29 prescribed under paragraph 301-7.2 of the Federal Travel  
30 Regulations, 41 C.F.R. 301-7.2, for reimbursement of  
31 subsistence expenses incurred during official travel. All  
32 lodging and travel expenses may be reimbursed directly upon  
33 authorization of the Director. With the exception of the direct  
34 reimbursements authorized by the Director, all performance  
35 examination charges collected by the Department shall be paid  
36 to the Insurance Producers Administration Fund, however, the

1 electronic data processing costs incurred by the Department in  
2 the performance of any examination shall be billed directly to  
3 the company being examined for payment to the Statistical  
4 Services Revolving Fund.

5 (4) At the time of any service of process on the Director  
6 as attorney for such service, the Director shall charge and  
7 collect the sum of \$20, which may be recovered as taxable costs  
8 by the party to the suit or action causing such service to be  
9 made if he prevails in such suit or action.

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

19 (b) For purposes of this subsection (5) costs incurred  
20 shall mean the hearing officer fees, court reporter fees, and  
21 travel expenses of Department of Insurance officers and  
22 employees; provided however, that costs incurred shall not  
23 include hearing officer fees or court reporter fees unless the  
24 Department has retained the services of independent  
25 contractors or outside experts to perform such functions.

26 (c) The Director shall make the assessment of costs  
27 incurred as part of the final order or decision arising out of  
28 the proceeding; provided, however, that such order or decision  
29 shall include findings and conclusions in support of the  
30 assessment of costs. This subsection (5) shall not be construed  
31 as permitting the payment of travel expenses unless calculated  
32 in accordance with the applicable travel regulations of the  
33 Department of Central Management Services, as approved by the  
34 Governor's Travel Control Board. The Director as part of such  
35 order or decision shall require all assessments for hearing  
36 officer fees and court reporter fees, if any, to be paid

1 directly to the hearing officer or court reporter by the  
2 party(s) assessed for such costs. The assessments for travel  
3 expenses of Department officers and employees shall be  
4 reimbursable to the Director of Insurance for deposit to the  
5 fund out of which those expenses had been paid.

6 (d) The provisions of this subsection (5) shall apply in  
7 the case of any hearing conducted by the Director of Insurance  
8 not otherwise specifically provided for by law.

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

20 (a) Combination of nationwide direct premium income  
21 and nationwide reinsurance assumed premium.

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

24 (ii) \$750, if the premium is \$500,000 or more, but  
25 less than \$5,000,000 and there is no reinsurance  
26 assumed premium; or if the premium is less than  
27 \$5,000,000 and the reinsurance assumed premium is less  
28 than \$10,000,000;

29 (iii) \$3,750, if the premium is less than  
30 \$5,000,000 and the reinsurance assumed premium is  
31 \$10,000,000 or more;

32 (iv) \$7,500, if the premium is \$5,000,000 or more,  
33 but less than \$10,000,000;

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

36 (vi) \$22,500, if the premium is \$25,000,000 or

1 more, but less than \$50,000,000;

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

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

6 (b) Admitted assets.

7 (i) \$150, if admitted assets are less than  
8 \$1,000,000;

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

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

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

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

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

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

21 (viii) \$37,500, if admitted assets are  
22 \$1,000,000,000 or more.

23 (c) The sum of financial regulation fees charged to the  
24 domestic companies of the same affiliated group shall not  
25 exceed \$250,000 in the aggregate in any single year and  
26 shall be billed by the Director to the member company  
27 designated by the group.

28 (7) The Director shall charge and collect an annual  
29 financial regulation fee from every foreign or alien company,  
30 except fraternal benefit societies, for the examination and  
31 analysis of its financial condition and to fund the internal  
32 costs and expenses of the Interstate Insurance Receivership  
33 Commission as may be allocated to the State of Illinois and  
34 companies doing an insurance business in this State pursuant to  
35 Article X of the Interstate Insurance Receivership Compact. The  
36 fee shall be a fixed amount based upon Illinois direct premium

1 income and nationwide reinsurance assumed premium income in  
2 accordance with the following schedule:

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

5 (b) \$750, if the premium is \$500,000 or more, but less  
6 than \$5,000,000 and there is no reinsurance assumed  
7 premium; or if the premium is less than \$5,000,000 and the  
8 reinsurance assumed premium is less than \$10,000,000;

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

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

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

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

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

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

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

25 (8) Beginning January 1, 1992, the financial regulation  
26 fees imposed under subsections (6) and (7) of this Section  
27 shall be paid by each company or domestic affiliated group  
28 annually. After January 1, 1994, the fee shall be billed by  
29 Department invoice based upon the company's premium income or  
30 admitted assets as shown in its annual statement for the  
31 preceding calendar year. The invoice is due upon receipt and  
32 must be paid no later than June 30 of each calendar year. All  
33 financial regulation fees collected by the Department shall be  
34 paid to the Insurance Financial Regulation Fund. The Department  
35 may not collect financial examiner per diem charges from  
36 companies subject to subsections (6) and (7) of this Section

1 undergoing financial examination after June 30, 1992.

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

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

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

28 In the case of an organization or person not subject to the  
29 financial regulation fee, the expenses incurred in any  
30 financial examination authorized by law shall be paid by the  
31 organization or person being examined. The charge shall be  
32 reasonably related to the cost of the examination including,  
33 but not limited to, compensation of examiners and other costs  
34 described in this subsection.

35 (10) Any company, person, or entity failing to make any  
36 payment of \$150 or more as required under this Section shall be

1 subject to the penalty and interest provisions provided for in  
2 subsections (4) and (7) of Section 412.

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

6 (12) For purposes of this Section:

7 (a) "Domestic company" means a company as defined in  
8 Section 2 of this Code which is incorporated or organized  
9 under the laws of this State, and in addition includes a  
10 not-for-profit corporation authorized under the Dental  
11 Service Plan Act or the Voluntary Health Services Plans  
12 Act, a health maintenance organization, and a limited  
13 health service organization.

14 (b) "Foreign company" means a company as defined in  
15 Section 2 of this Code which is incorporated or organized  
16 under the laws of any state of the United States other than  
17 this State and in addition includes a health maintenance  
18 organization and a limited health service organization  
19 which is incorporated or organized under the laws of any  
20 state of the United States other than this State.

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

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

27 (e) "Mutual benefit association" means a company,  
28 association or corporation authorized by the Director to do  
29 business in this State under the provisions of Article  
30 XVIII of this Code.

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

35 (g) "Farm mutual" means a district, county and township  
36 mutual insurance company authorized by the Director to do



1           business in this State under the provisions of the Farm  
2           Mutual Insurance Company Act of 1986.

3           (Source: P.A. 93-32, eff. 7-1-03.)

4           Section 99. Effective date. This Act takes effect upon  
5           becoming law.