

1                                    AMENDMENT TO SENATE BILL 1150

2            AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1150 by replacing  
3 everything after the enacting clause with the following:

4            "Section 5. The Illinois Insurance Code is amended by  
5 changing Sections 500-10 and 500-135 and adding Section  
6 500-107 as follows:

7            (215 ILCS 5/500-10)

8            Sec. 500-10. Definitions. In addition to the  
9 definitions in Section 2 of the Code, the following  
10 definitions apply to this Article:

11            "Business entity" means a corporation, association,  
12 partnership, limited liability company, limited liability  
13 partnership, or other legal entity.

14            "Car rental limited line licensee" means a person  
15 authorized under the provisions of Section 500-105 to sell  
16 certain coverages relating to the rental of vehicles.

17            "Home state" means the District of Columbia and any state  
18 or territory of the United States in which an insurance  
19 producer maintains his or her principal place of residence or  
20 principal place of business and is licensed to act as an  
21 insurance producer.

22            "Insurance" means any of the lines of authority in

1 Section 500-35, any health care plan under the Health  
2 Maintenance Organization Act, or any limited health care plan  
3 under the Limited Health Service Organization Act.

4 "Insurance producer" means a person required to be  
5 licensed under the laws of this State to sell, solicit, or  
6 negotiate insurance.

7 "Insurer" means a company as defined in subsection (e) of  
8 Section 2 of this Code, a health maintenance organization as  
9 defined in the Health Maintenance Organization Act, or a  
10 limited health service organization as defined in the Limited  
11 Health Service Organization Act.

12 "License" means a document issued by the Director  
13 authorizing an individual to act as an insurance producer for  
14 the lines of authority specified in the document or  
15 authorizing a business entity to act as an insurance  
16 producer. The license itself does not create any authority,  
17 actual, apparent, or inherent, in the holder to represent or  
18 commit an insurance carrier.

19 "Limited lines insurance" means those lines of insurance  
20 defined in Section 500-100 or any other line of insurance  
21 that the Director may deem it necessary to recognize for the  
22 purposes of complying with subsection (e) of Section 500-40.

23 "Limited lines producer" means a person authorized by the  
24 Director to sell, solicit, or negotiate limited lines  
25 insurance.

26 "Negotiate" means the act of conferring directly with or  
27 offering advice directly to a purchaser or prospective  
28 purchaser of a particular contract of insurance concerning  
29 any of the substantive benefits, terms, or conditions of the  
30 contract, provided that the person engaged in that act either  
31 sells insurance or obtains insurance from insurers for  
32 purchasers.

33 "Person" means an individual or a business entity.

34 "Rental agreement" means a written agreement setting

1     forth the terms and conditions governing the use of a vehicle  
2     provided by a rental company for rental or lease.

3             "Rental company" means a person, or a franchisee of the  
4     person, in the business of providing primarily private  
5     passenger vehicles to the public under a rental agreement for  
6     a period not to exceed 30 days.

7             "Rental period" means the term of the rental agreement.

8             "Renter" means a person obtaining the use of a vehicle  
9     from a rental company under the terms of a rental agreement  
10    for a period not to exceed 30 days.

11            "Self-service storage facility limited line licensee"  
12    means a person authorized under the provisions of Section  
13    500-107 to sell certain coverages relating to the rental of  
14    self-service storage facilities.

15            "Sell" means to exchange a contract of insurance by any  
16    means, for money or its equivalent, on behalf of an insurance  
17    company.

18            "Solicit" means attempting to sell insurance or asking or  
19    urging a person to apply for a particular kind of insurance  
20    from a particular company.

21            "Terminate" means the cancellation of the relationship  
22    between an insurance producer and the insurer or the  
23    termination of a producer's authority to transact insurance.

24            "Uniform Business Entity Application" means the current  
25    version of the National Association of Insurance  
26    Commissioners' Uniform Business Entity Application for  
27    nonresident business entities.

28            "Uniform Application" means the current version of the  
29    National Association of Insurance Commissioners' Uniform  
30    Application for nonresident producer licensing.

31            "Vehicle" or "rental vehicle" means a motor vehicle of  
32    (1) the private passenger type, including passenger vans,  
33    mini vans, and sport utility vehicles or (2) the cargo type,  
34    including cargo vans, pickup trucks, and trucks with a gross

1 vehicle weight of less than 26,000 pounds the operation of  
2 which does not require the operator to possess a commercial  
3 driver's license.

4 (Source: P.A. 92-386, eff. 1-1-02.)

5 (215 ILCS 5/500-107 new)

6 Sec. 5/500-107. Self-service storage facility limited  
7 line license for self-storage facilities.

8 (a) A self-service storage facility must obtain a  
9 producer license or obtain a self-service storage facility  
10 limited line license before offering or selling insurance in  
11 connection with and incidental to the rental of storage space  
12 provided by a self-service storage facility. The sale of  
13 insurance may occur at the rental office or by preselection  
14 of coverage in a master, corporate, group rental, or  
15 individual agreement. The following general categories of  
16 coverage may be offered or sold:

17 (1) insurance that provides hazard insurance  
18 coverage to renters for the loss of, or damage to,  
19 tangible personal property in storage or in transit  
20 during the rental period; or

21 (2) any other coverage the Director may approve as  
22 meaningful and appropriate in connection with the rental  
23 of storage space.

24 (b) Insurance may not be offered by a self-service  
25 storage limited line producer pursuant to this Section  
26 unless:

27 (1) the self-service storage facility has applied  
28 for and obtained a self-service storage facility limited  
29 line license;

30 (2) at every rental location where rental  
31 agreements are executed, brochures or other written  
32 materials are readily available to the prospective renter  
33 that:

1           (A) summarize clearly and correctly the  
2           material terms of coverage offered to renters,  
3           including the identity of the insurer;

4           (B) disclose that the coverage offered by the  
5           self-service storage facility may provide a  
6           duplication of coverage already provided by the  
7           renter's personal homeowner's insurance policy,  
8           automobile insurance policy, personal liability  
9           insurance policy, or other source of coverage;

10           (C) state that the purchase by the renter of  
11           the kinds of coverage specified in this Section is  
12           not required in order to rent storage space; and

13           (D) describe the process for filing a claim in  
14           the event the consumer elects to purchase coverage  
15           and in the event of a claim; and

16           (3) evidence of coverage is provided to each renter  
17           who elects to purchase the coverage.

18           (c) A self-service storage facility limited line license  
19           issued under this Section shall also authorize any employee  
20           of the self-service storage facility limited line licensee to  
21           act individually on behalf and under the supervision of the  
22           self-service storage facility limited line licensee with  
23           respect to the kinds of coverage specified in this Section.

24           (d) A self-service storage facility licensed pursuant to  
25           this Section must conduct a training program in which  
26           employees being trained shall receive basic instruction about  
27           the kinds of coverage specified in this Section and offered  
28           for purchase by prospective renters of storage space.

29           (e) Notwithstanding any other provision of this Section  
30           or any rule adopted by the Director, a self-service storage  
31           facility limited line producer pursuant to this Section is  
32           not required to treat moneys collected from renters  
33           purchasing insurance when renting storage space as funds  
34           received in a fiduciary capacity, provided that the charges

1 for coverage shall be itemized and ancillary to a rental  
2 transaction.

3 (f) The sale of insurance not in conjunction with a  
4 rental transaction shall not be permitted.

5 (g) A self-service storage facility limited line  
6 producer under this Section may not advertise, represent, or  
7 otherwise hold itself or any of its employees out as licensed  
8 insurers, insurance producers, insurance agents, or insurance  
9 brokers.

10 (h) Direct commissions may not be paid to self-service  
11 storage facility employees by the insurer or the customer  
12 purchasing insurance products. The self-service storage  
13 facility may include insurance products in an overall  
14 employee performance compensation incentive program.

15 (i) An application for a self-service storage facility  
16 limited line license must be made on a form specified by the  
17 Director.

18 (215 ILCS 5/500-135)

19 Sec. 500-135. Fees.

20 (a) The fees required by this Article are as follows:

21 (1) a fee of \$150 payable once every 2 years for an  
22 insurance producer license;

23 (2) a fee of \$25 for the issuance of a temporary  
24 insurance producer license;

25 (3) a fee of \$50 payable once every 2 years for a  
26 business entity;

27 (4) an annual \$25 fee for a limited line producer  
28 license issued under items (1) through (7) of subsection  
29 (a) of Section 500-100;

30 (5) a \$25 application fee for the processing of a  
31 request to take the written examination for an insurance  
32 producer license;

33 (6) an annual registration fee of \$500 for

1 registration of an education provider;

2 (7) a certification fee of \$25 for each certified  
3 pre-licensing or continuing education course and an  
4 annual fee of \$10 for renewing the certification of each  
5 such course;

6 (8) a fee of \$50 payable once every 2 years for a  
7 car rental limited line license;

8 (9) a fee of \$150 payable once every 2 years for a  
9 limited lines license other than the licenses issued  
10 under items (1) through (7) of subsection (a) of Section  
11 500-100, ~~or a car rental limited line license, or a~~  
12 self-service storage facility limited line license;

13 (10) a fee of \$50 payable once every 2 years for a  
14 self-service storage facility limited line license.

15 (b) Except as otherwise provided, all fees paid to and  
16 collected by the Director under this Section shall be paid  
17 promptly after receipt thereof, together with a detailed  
18 statement of such fees, into a special fund in the State  
19 Treasury to be known as the Insurance Producer Administration  
20 Fund. The moneys deposited into the Insurance Producer  
21 Administration Fund may be used only for payment of the  
22 expenses of the Department in the execution, administration,  
23 and enforcement of the insurance laws of this State, and  
24 shall be appropriated as otherwise provided by law for the  
25 payment of those expenses with first priority being any  
26 expenses incident to or associated with the administration  
27 and enforcement of this Article.

28 (Source: P.A. 92-386, eff. 1-1-02.)

29 Section 99. Effective date. This Act takes effect upon  
30 becoming law."