

HB4379



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4379

by Rep. Marlow H. Colvin

SYNOPSIS AS INTRODUCED:

215 ILCS 5/500-35

Amends the Illinois Insurance Code. Provides that the Department of Insurance shall not use a licensed insurance producer's social security number as the insurance producer's personal identification number. Effective January 1, 2009.

LRB095 14317 KBJ 40206 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning 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 Section 500-35 as follows:

6 (215 ILCS 5/500-35)

7 Sec. 500-35. License.

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

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

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

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

23 (4) Property: insurance coverage for the direct or

1 consequential loss or damage to property of every kind.

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

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

8 (7) Any other line of insurance permitted under State
9 laws or rules.

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

14 (1) Before each license renewal, an insurance producer
15 must satisfactorily complete at least 30 hours of course
16 study in accordance with rules prescribed by the Director.
17 The Director may not approve a course of study unless the
18 course provides for classroom, seminar, or self-study
19 instruction methods. A course given in a combination
20 instruction method of classroom or seminar and self-study
21 shall be deemed to be a self-study course unless the
22 classroom or seminar certified hours meets or exceeds
23 two-thirds of total hours certified for the course. The
24 self-study material used in the combination course must be
25 directly related to and complement the classroom portion of
26 the course in order to be considered for credit. An

1 instruction method other than classroom or seminar shall be
2 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.

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

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

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

1 passing a written examination. However, a penalty in the amount
2 of double the unpaid renewal fee shall be required after the
3 due date.

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

7 (f) The license must contain the licensee's name, address,
8 and personal identification number, the date of issuance, the
9 lines of authority, the expiration date, and any other
10 information the Director deems necessary.The Department shall
11 not use the licensee's social security number as the licensee's
12 personal identification number.

13 (g) Licensees must inform the Director by any means
14 acceptable to the Director of a change of address within 30
15 days after the change.

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

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

25 Section 99. Effective date. This Act takes effect January
26 1, 2009.