

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 Sections 500-30 and 500-35 as follows:

6 (215 ILCS 5/500-30)

7 Sec. 500-30. Application for license.

8 (a) An individual applying for a resident insurance  
9 producer license must make application on a form specified by  
10 the Director and declare under penalty of refusal, suspension,  
11 or revocation of the license that the statements made in the  
12 application are true, correct, and complete to the best of the  
13 individual's knowledge and belief. Before approving the  
14 application, the Director must find that the individual:

15 (1) is at least 18 years of age;

16 (2) has not committed any act that is a ground for  
17 denial, suspension, or revocation set forth in Section  
18 500-70;

19 (3) has completed, if required by the Director, a  
20 pre-licensing course of study before the insurance exam for  
21 the lines of authority for which the individual has applied  
22 (an individual who successfully completes the Fire and  
23 Casualty pre-licensing courses also meets the requirements

1 for Personal Lines-Property and Casualty);

2 (4) has paid the fees set forth in Section 500-135; and

3 (5) has successfully passed the examinations for the  
4 lines of authority for which the person has applied.

5 (b) A pre-licensing course of study for each class of  
6 insurance for which an insurance producer license is requested  
7 must be established in accordance with rules prescribed by the  
8 Director and must consist of the following minimum hours:

9 Class of Insurance	Number of
	10 Hours
11 Life (Class 1 (a))	<u>20</u> <del>15.0</del>
12 Accident and Health (Class 1(b) or 2(a))	<u>20</u> <del>15.0</del>
13 Fire (Class 3)	<u>20</u> <del>15.0</del>
14 Casualty (Class 2)	<u>20</u> <del>15.0</del>
15 Personal Lines-Property Casualty	<u>20</u> <del>15.0</del>
16 Motor Vehicle (Class 2(b) or 3(e))	<u>12.5</u> <del>7.5</del>

17 7.5 hours of each pre-licensing course must be completed in  
18 a classroom setting, except Motor Vehicle, which would require  
19 5 hours in a classroom setting.

20 Notwithstanding any other rulemaking authority that may  
21 exist, neither the Governor nor any agency or agency head under  
22 the jurisdiction of the Governor has any authority to make or  
23 promulgate rules to implement or enforce the provisions of this  
24 amendatory Act of the 95th General Assembly. If, however, the  
25 Governor believes that rules are necessary to implement or  
26 enforce the provisions of this amendatory Act of the 95th

1 General Assembly, the Governor may suggest rules to the General  
2 Assembly by filing them with the Clerk of the House and the  
3 Secretary of the Senate and by requesting that the General  
4 Assembly authorize such rulemaking by law, enact those  
5 suggested rules into law, or take any other appropriate action  
6 in the General Assembly's discretion. Nothing contained in this  
7 amendatory Act of the 95th General Assembly shall be  
8 interpreted to grant rulemaking authority under any other  
9 Illinois statute where such authority is not otherwise  
10 explicitly given. For the purposes of this amendatory Act of  
11 the 95th General Assembly, "rules" is given the meaning  
12 contained in Section 1-70 of the Illinois Administrative  
13 Procedure Act, and "agency" and "agency head" are given the  
14 meanings contained in Sections 1-20 and 1-25 of the Illinois  
15 Administrative Procedure Act to the extent that such  
16 definitions apply to agencies or agency heads under the  
17 jurisdiction of the Governor.

18 (c) A business entity acting as an insurance producer must  
19 obtain an insurance producer license. Application must be made  
20 using the Uniform Business Entity Application. Before  
21 approving the application, the Director must find that:

22 (1) the business entity has paid the fees set forth in  
23 Section 500-135; and

24 (2) the business entity has designated a licensed  
25 producer responsible for the business entity's compliance  
26 with the insurance laws and rules of this State.

1 (d) The Director may require any documents reasonably  
2 necessary to verify the information contained in an  
3 application.

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

5 (215 ILCS 5/500-35)

6 Sec. 500-35. License.

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

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

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

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

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

24 (5) Casualty: insurance coverage against legal  
25 liability, including that for death, injury, or disability

1 or damage to real or personal property.

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

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

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

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

1 hours require the successful completion of an examination  
2 covering the self-study material. The examination may not  
3 be self-evaluated. However, if the self-study material is  
4 completed through the use of an approved computerized  
5 interactive format whereby the computer validates the  
6 successful completion of the self-study material, no  
7 additional examination is required. The self-study credit  
8 hours contained in a certified course shall be considered  
9 classroom hours when at least two-thirds of the hours are  
10 given as classroom or seminar instruction.

11 Notwithstanding any other rulemaking authority that  
12 may exist, neither the Governor nor any agency or agency  
13 head under the jurisdiction of the Governor has any  
14 authority to make or promulgate rules to implement or  
15 enforce the provisions of this amendatory Act of the 95th  
16 General Assembly. If, however, the Governor believes that  
17 rules are necessary to implement or enforce the provisions  
18 of this amendatory Act of the 95th General Assembly, the  
19 Governor may suggest rules to the General Assembly by  
20 filing them with the Clerk of the House and the Secretary  
21 of the Senate and by requesting that the General Assembly  
22 authorize such rulemaking by law, enact those suggested  
23 rules into law, or take any other appropriate action in the  
24 General Assembly's discretion. Nothing contained in this  
25 amendatory Act of the 95th General Assembly shall be  
26 interpreted to grant rulemaking authority under any other

1 Illinois statute where such authority is not otherwise  
2 explicitly given. For the purposes of this amendatory Act  
3 of the 95th General Assembly, "rules" is given the meaning  
4 contained in Section 1-70 of the Illinois Administrative  
5 Procedure Act, and "agency" and "agency head" are given the  
6 meanings contained in Sections 1-20 and 1-25 of the  
7 Illinois Administrative Procedure Act to the extent that  
8 such definitions apply to agencies or agency heads under  
9 the jurisdiction of the Governor.

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

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

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

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

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

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

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

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