



Sen. William R. Haine

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1 AMENDMENT TO HOUSE BILL 4602

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4602 by replacing  
3 line 23 on page 3 and line 1 on page 4 with the following:

4 "Section 25. The Illinois Insurance Code is amended by  
5 changing Section 136 and by adding Section 356z.11 as follows:

6 (215 ILCS 5/136) (from Ch. 73, par. 748)

7 Sec. 136. Annual statement.

8 (1) Every company authorized to do business in this State  
9 or accredited by this State shall file with the Director by  
10 March 1st in each year 2 copies of its financial statement for  
11 the year ending December 31st immediately preceding on forms  
12 prescribed by the Director, which shall conform substantially  
13 to the form of statement adopted by the National Association of  
14 Insurance Commissioners. Unless the Director provides  
15 otherwise, the annual statement is to be prepared in accordance  
16 with the annual statement instructions and the Accounting

1 Practices and Procedures Manual adopted by the National  
2 Association of Insurance Commissioners. The Director shall  
3 have power to make such modifications and additions in this  
4 form as he may deem desirable or necessary to ascertain the  
5 condition and affairs of the company. The Director shall have  
6 authority to extend the time for filing any statement by any  
7 company for reasons which he considers good and sufficient. In  
8 every statement the admitted assets shall be shown at the  
9 actual values as of the last day of the preceding year, in  
10 accordance with Section 126.7. The statement shall be verified  
11 by oaths of the president and secretary of the company or, in  
12 their absence, by 2 other principal officers. In addition, any  
13 company may be required by the Director, when he considers that  
14 action to be necessary and appropriate for the protection of  
15 policyholders, creditors, shareholders, or claimants, to file,  
16 within 60 days after mailing to the company a notice that such  
17 is required, a supplemental summary statement as of the last  
18 day of any calendar month occurring during the 100 days next  
19 preceding the mailing of such notice designated by him on forms  
20 prescribed and furnished by the Director. The Director may  
21 require supplemental summary statements to be certified by an  
22 independent actuary deemed competent by the Director or by an  
23 independent certified public accountant.

24 (2) The statement of an alien company shall embrace only  
25 its condition and transactions in the United States and shall  
26 be verified by the oaths of its resident manager or principal

1 representative in the United States, except that in the case of  
2 any life company organized under the laws of Canada or any  
3 province thereof, the statement may be verified by the oaths of  
4 any of its principal officers designated for that purpose by  
5 its board of directors.

6 (3) For the information of the public generally the  
7 Director shall cause an abstract of the information contained  
8 in the annual statement to be made available to the public as  
9 soon as practicable after filing with the Department, by  
10 printing those abstracts in pamphlet tabular form for free  
11 general distribution by the Department, or by such other  
12 publication in the city of Springfield or in the city of  
13 Chicago as may be reasonably necessary more fully to inform the  
14 public of the financial condition of companies transacting  
15 business in this State.

16 (4) Each domestic, foreign, and alien insurer authorized to  
17 do business in this State or accredited by this State shall  
18 participate in the National Association of Insurance  
19 Commissioners' Insurance Regulatory Information System,  
20 including the payment of all fees and charges of the system.  
21 Each company shall, on or before March 1 of each year, file  
22 with the National Association of Insurance Commissioners a copy  
23 of its annual financial statement along with any additional  
24 filings prescribed by the Director for the preceding year. The  
25 statement filed with the National Association of Insurance  
26 Commissioners shall be in the same format and scope as that

1 required by this Code and shall include a signed jurat page and  
2 actuarial certification. Any amendments and addendums to the  
3 annual statement shall also be filed with the National  
4 Association of Insurance Commissioners. Each company shall  
5 also file with the National Association of Insurance  
6 Commissioners annual and quarterly financial statement  
7 information in computer readable format as required by the  
8 Insurance Regulatory Information System. Failure of a company  
9 to file financial statement information in computer readable  
10 format shall subject the company to the provisions of Section  
11 139.

12 (5) All financial analysis ratios and examination synopsis  
13 concerning insurance companies that are submitted to the  
14 Director by the National Association of Insurance  
15 Commissioners' Insurance Regulatory Information System are  
16 confidential and may not be disclosed by the Director.

17 (6) Every property and casualty insurance company doing  
18 business in this State, unless otherwise exempted by the  
19 Director, shall annually submit the opinion of an appointed  
20 actuary entitled "Statement of Actuarial Opinion". This  
21 opinion shall be filed in accordance with the appropriate  
22 National Association of Insurance Commissioners Property and  
23 Casualty Annual Statement Instructions.

24 (a) Every property and casualty insurance company  
25 domiciled in this State that is required to submit a  
26 Statement of Actuarial Opinion shall annually submit an

1       Actuarial Opinion Summary, written by the company's  
2       appointed actuary. This Actuarial Opinion Summary shall be  
3       filed in accordance with the appropriate National  
4       Association of Insurance Commissioners Property and  
5       Casualty Annual Statement Instructions and shall be  
6       considered as a document supporting the Actuarial Opinion  
7       required in this subsection (6). Each foreign and alien  
8       property and casualty company authorized to do business in  
9       this State shall provide the Actuarial Opinion Summary upon  
10       request.

11       (b) An Actuarial Report and underlying workpapers as  
12       required by the appropriate National Association of  
13       Insurance Commissioners Property and Casualty Annual  
14       Statement Instructions shall be prepared to support each  
15       Actuarial Opinion. If the insurance company fails to  
16       provide a supporting Actuarial Report or workpapers or both  
17       at the request of the Director of the Division of Insurance  
18       or the Director determines that the supporting Actuarial  
19       Report or workpapers provided by the insurance company is  
20       otherwise unacceptable to the Director, the Director may  
21       engage a qualified actuary at the expense of the company to  
22       review the opinion and the basis for the opinion and  
23       prepare the supporting Actuarial Report or workpapers.

24       (c) The appointed actuary shall not be liable for  
25       damages to any person (other than the insurance company and  
26       the Director) for any act, error, omission, decision, or

1 conduct with respect to the actuary's opinion, except in  
2 cases of fraud or willful misconduct on the part of the  
3 appointed actuary.

4 (d) The Statement of Actuarial Opinion shall be  
5 provided with the Annual Statement in accordance with the  
6 appropriate National Association of Insurance  
7 Commissioners Property and Casualty Annual Statement  
8 Instructions and shall be treated as a public document.  
9 Documents, materials, or other information in the  
10 possession or control of the Director that are considered  
11 an Actuarial Report, workpapers, or Actuarial Opinion  
12 Summary provided in support of the opinion, and any other  
13 material provided by the company to the Director in  
14 connection with the Actuarial Report, workpapers, or  
15 Actuarial Opinion Summary, must be given confidential  
16 treatment, are not subject to subpoena, and may not be made  
17 public by the Director or any other persons. This paragraph  
18 (d) shall not be construed to limit the Director's  
19 authority to release the documents to the Actuarial Board  
20 for Counseling and Discipline (ABCD), so long as the  
21 material is required for the purpose of professional  
22 disciplinary proceedings and that the ABCD establishes  
23 procedures satisfactory to the Director for preserving the  
24 confidentiality of the documents, nor shall this paragraph  
25 (d) be construed to limit the Director's authority to use  
26 the documents, materials or other information in

1 furtherance of any regulatory or legal action brought as  
2 part of the Director's official duties. Neither the  
3 Director nor any person who received documents, materials,  
4 or other information while acting under the authority of  
5 the Director shall be permitted or required to testify in  
6 any private civil action concerning any confidential  
7 documents, materials, or information subject to this  
8 subsection (6). Except where another provision of this Code  
9 expressly prohibits a disclosure of confidential  
10 information to the specific officials or organizations  
11 described in this subsection, the Director may:

12 (i) share documents, materials, or other  
13 information, including the confidential and privileged  
14 documents, materials, or information subject to this  
15 paragraph (d) with the insurance department of any  
16 other state or country or with law enforcement  
17 officials of this or any other state or agency of the  
18 federal government at any time, as long as the agency  
19 or office receiving the document, material, or other  
20 information agrees in writing to hold it confidential  
21 and in a manner consistent with this Code;

22 (ii) receive documents, materials, or information,  
23 including otherwise confidential and privileged  
24 documents, materials, or information, from the  
25 National Association of Insurance Commissioners and  
26 its affiliates and subsidiaries, and from regulatory

1           and law enforcement officials of other foreign or  
2           domestic jurisdictions, and shall maintain as  
3           confidential or privileged any document, material, or  
4           information received with notice or the understanding  
5           that it is confidential or privileged under the laws of  
6           the jurisdiction that is the source of the document,  
7           material, or information; and

8           (iii) enter into agreements governing sharing and  
9           use of information consistent with paragraph (d).

10          (e) No waiver of any applicable privilege or claim of  
11          confidentiality in the documents, materials or information  
12          shall occur as a result of disclosure to the Director under  
13          this Section or as a result of sharing as authorized in  
14          subparagraphs (i), (ii), and (iii) of paragraph (d) of  
15          subsection (6) of this Section.

16          All 2008 Annual Statements, which are filed in 2009,  
17          and all subsequent Annual Statement filings shall be done  
18          in accordance with subsection (6) of this Section.

19          (Source: P.A. 90-418, eff. 8-15-97.)".