



Sen. John J. Cullerton

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LRB095 18675 RAS 47166 a

1 AMENDMENT TO SENATE BILL 2222

2 AMENDMENT NO. _____. Amend Senate Bill 2222 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing the heading of Article XXXI 1/2 and Sections 512-1,
6 512-2, 512-3, 512-4, 512-5, 512-6, 512-7, 512-8, 512-9, and
7 512-10 and by adding Sections 512-7.5, 512-7.10, 512-7.15,
8 512-11, 512-12, and 512-13 as follows:

9 (215 ILCS 5/Art. XXXI.5 heading)

10 ARTICLE XXXI 1/2.

11 PHARMACEUTICAL BENEFITS MANAGEMENT ~~THIRD PARTY PRESCRIPTION~~
12 PROGRAMS

13 (215 ILCS 5/512-1) (from Ch. 73, par. 1065.59-1)

14 Sec. 512-1. Short Title. This Article shall be known and
15 may be cited as the "Pharmaceutical Benefits Management

1 Programs Law ~~Third Party Prescription Program Act~~".

2 (Source: P.A. 82-1005.)

3 (215 ILCS 5/512-2) (from Ch. 73, par. 1065.59-2)

4 Sec. 512-2. Purpose. It is hereby determined and declared
5 that the purpose of this Article is to regulate pharmaceutical
6 benefits management programs ~~certain practices engaged in by~~
7 ~~third party prescription program administrators.~~

8 (Source: P.A. 82-1005.)

9 (215 ILCS 5/512-3) (from Ch. 73, par. 1065.59-3)

10 Sec. 512-3. Definitions. For the purposes of this Article,
11 unless the context otherwise requires, the terms defined in
12 this Article have the meanings ascribed to them herein:

13 "Covered entity" means any entity that has entered into an
14 agreement, directly or indirectly, with a pharmaceutical
15 benefits manager to provide a pharmaceutical benefits
16 management program. "Covered entity" includes, but is not
17 limited to, a person or entity that has entered into a group
18 contract for health care services with an insurer, Health
19 Maintenance Organization, Limited Health Services Organization
20 or Voluntary Health Services Plan under which the
21 pharmaceutical benefits manager is contractually obligated to
22 provide a pharmaceutical benefits management program.

23 "Covered individual" means a member, participant,
24 enrollee, contract holder, policy holder, or beneficiary of a

1 covered entity who is provided health coverage by the covered
2 entity. "Covered individual" includes, but is not limited to, a
3 dependent or other person who is provided health coverage
4 through a policy, contract, or plan for a covered individual.

5 "Director" means the Director of the Division of Insurance
6 of the Department of Financial and Professional Regulation.

7 "Division" means the Division of Insurance of the
8 Department of Financial and Professional Regulation.

9 "Maximum allowable cost" or "MAC" means the maximum per
10 unit reimbursement as established and determined by the
11 pharmaceutical benefits manager for a drug, medical product, or
12 device at the time a claim is processed.

13 "Pharmaceutical benefits management program" or "program"
14 means any system established by contract or otherwise of (i)
15 providing for the administration of or reimbursement for
16 pharmaceutical services and prescription drug products offered
17 or operated in this State by a PBM for or on behalf of a covered
18 entity or (ii) procuring prescription drugs at a negotiated
19 rate for dispensation to covered individuals by a
20 pharmaceutical benefits manager operating in this State.

21 "Pharmaceutical benefits manager " or " PBM" means any
22 person, partnership, or corporation that issues or causes to be
23 issued any payment or reimbursement to a provider for services
24 rendered pursuant to a pharmaceutical benefits management
25 program or an entity that procures prescription drugs at a
26 negotiated rate. "Pharmaceutical benefits manager " or " PBM"

1 does not include the Director of Healthcare and Family Services
2 or any agent authorized by the Director of Healthcare and
3 Family Services to reimburse or procure prescription drugs at a
4 negotiated rate pursuant to a program of which the Department
5 of Healthcare and Family Services is the third party.

6 "Pharmacy" has the meaning given to the term in the
7 Pharmacy Practice Act.

8 "Pharmacy network provider" means a pharmacist or pharmacy
9 that has a contractual relationship with a health benefit plan
10 or pharmacy benefit manager to provide pharmacist services.

11 "Pharmacy reimbursement rate" means the amount a PBM pays
12 to a pharmacy or pharmacy network provider for prescription
13 drugs and services provided by the pharmacy or pharmacy network
14 provider to the PBM.

15 "Rebates" means any valuable consideration or inducement
16 to directly or indirectly affect or influence the dispensing of
17 pharmaceutical drugs, supplies, or services.

18 ~~(a) "Third party prescription program" or "program" means~~
19 ~~any system of providing for the reimbursement of pharmaceutical~~
20 ~~services and prescription drug products offered or operated in~~
21 ~~this State under a contractual arrangement or agreement between~~
22 ~~a provider of such services and another party who is not the~~
23 ~~consumer of those services and products. Such programs may~~
24 ~~include, but need not be limited to, employee benefit plans~~
25 ~~whereby a consumer receives prescription drugs or other~~
26 ~~pharmaceutical services and those services are paid for by an~~

1 ~~agent of the employer or others.~~

2 ~~(b) "Third party program administrator" or "administrator"~~
3 ~~means any person, partnership or corporation who issues or~~
4 ~~causes to be issued any payment or reimbursement to a provider~~
5 ~~for services rendered pursuant to a third party prescription~~
6 ~~program, but does not include the Director of Healthcare and~~
7 ~~Family Services or any agent authorized by the Director to~~
8 ~~reimburse a provider of services rendered pursuant to a program~~
9 ~~of which the Department of Healthcare and Family Services is~~
10 ~~the third party.~~

11 (Source: P.A. 95-331, eff. 8-21-07.)

12 (215 ILCS 5/512-4) (from Ch. 73, par. 1065.59-4)

13 Sec. 512-4. Licensure; application and fees ~~Registration.~~

14 (a) No person, partnership, corporation, or other entity
15 may act as a PBM in this State without being licensed by the
16 Division.

17 (b) Each applicant for licensure must file with the
18 Director the following information and documents:

19 (1) the name of the company and the state or country
20 under the laws of which the company is organized or
21 authorized;

22 (2) the title of the Act under or by which the company
23 was incorporated or organized, the date of its
24 incorporation or organization, and, if a corporation, the
25 period of its duration;

1 (3) an organizational chart describing the
2 relationship between the PBM, its parent organization and
3 any affiliates, including the state or country of domicile
4 and the primary business of each entity;

5 (4) a list of the names, addresses, official positions,
6 and biographical affidavits of the persons responsible for
7 the conduct of the affairs of the PBM;

8 (5) sample copies of contracts utilized by the PBM
9 between the PBM and covered entities; if the terms and
10 conditions in such agreements include significant,
11 substantial, or material variations, the filing of one
12 complete sample agreement together with a description of
13 all variable terms and conditions may satisfy this
14 requirement; and

15 (6) such other information as the Director may
16 reasonably require.

17 (c) A licensee shall keep current the information required
18 to be disclosed in its application for licensure by reporting
19 all material changes or additions to the Director within 30
20 days after the end of the month of each change or addition. A
21 material change or addition includes any modification of the
22 information that has a significant effect on the operation of
23 the PBM.

24 (d) Beginning on January 1, 2009, each PBM doing business
25 in this State must pay to the Director an initial licensure fee
26 of \$1,000.00. Thereafter, annually on or before January 1 of

1 each year, a PBM doing business in this State that seeks to
2 renew a PBM license must pay to the Director a renewal fee of
3 \$250. All fees collected under this Section shall be deposited
4 into the Insurance Producer Administration Fund. All third
5 party prescription programs and administrators doing business
6 in the State shall register with the Director of Insurance. The
7 Director shall promulgate regulations establishing criteria
8 for registration in accordance with the terms of this Article.
9 The Director may by rule establish an annual registration fee
10 for each third party administrator.

11 (Source: P.A. 82-1005.)

12 (215 ILCS 5/512-5) (from Ch. 73, par. 1065.59-5)

13 Sec. 512-5. Disciplinary grounds; multiple accounts
14 Fiduciary and Bonding Requirements.

15 (a) The Director may place on probation, suspend, revoke,
16 or refuse to issue or renew a pharmaceutical benefits
17 management program or PBM license or may levy a civil penalty
18 in accordance with this Section or take any combination of
19 actions for any one or more of the following causes:

20 (1) Providing incorrect, misleading, incomplete, or
21 materially untrue information in the license application.

22 (2) Violating any provision of this Law or the
23 insurance laws of this or another state or violating any
24 rule, subpoena, or order of the Director of this or another
25 state's insurance commissioner.

1 (3) Obtaining or attempting to obtain a license through
2 misrepresentation or fraud.

3 (4) Improperly withholding, misappropriating, or
4 converting any moneys or properties received in the course
5 of doing business.

6 (5) Intentionally misrepresenting the terms of any
7 contract or agreement between a PBM and a covered entity.

8 (6) Having admitted to or been found to have committed
9 any unfair trade practice or fraud.

10 (7) Using fraudulent, coercive, or dishonest practices
11 or demonstrating incompetence, untrustworthiness, or
12 financial irresponsibility in the conduct of business in
13 this State or elsewhere.

14 (8) Having a professional license or registration or
15 its equivalent denied, suspended, or revoked in any other
16 state, province, district, or territory.

17 (9) Forging a name to an application.

18 (10) Failing to pay any tax or fee, as required by law.

19 (b) If the action by the Director is to deny renewal,
20 suspend, or revoke a license or to deny an application for a
21 licensure, the Director shall notify the applicant and advise,
22 in writing, the applicant of the reason for the suspension,
23 revocation, or denial. The applicant or licensee may make
24 written demand upon the Director within 30 days after the date
25 of mailing of notice for a hearing before the Director to
26 determine the reasonableness of the Director's action. The

1 hearing must be held within not fewer than 20 days nor more
2 than 30 days after the mailing of the notice of hearing and
3 shall be held pursuant to the Illinois Administrative Code.

4 (c) In addition to or instead of any applicable denial,
5 suspension, or revocation of a license, an applicant or
6 licensee may, after hearing, be subject to a civil penalty.

7 (d) The Director has the authority to enforce the
8 provisions of and impose any penalty or remedy authorized by
9 this Article against any person or PBM who is under
10 investigation for or charged with a violation of this Law or
11 Code even if the license has been surrendered or has lapsed by
12 operation of law.

13 (e) Upon the suspension, denial, or revocation of a
14 license, the licensee having possession or custody of the
15 license shall promptly deliver it to the Director in person or
16 by mail. The Director shall publish all suspensions, denials,
17 or revocations after the suspension, denial, or revocation
18 becomes final.

19 (f) A licensee whose license is revoked or applicant whose
20 application is denied pursuant to this Section is ineligible to
21 apply for any pharmaceutical benefits management program or PBM
22 license under this Law for 3 years after the revocation or
23 denial. A pharmaceutical benefits management program or PBM
24 whose license as a pharmaceutical benefits management program
25 or PBM has been revoked, suspended, or denied may not be
26 employed, contracted, or engaged in any related capacity during

1 the time the revocation, suspension, or denial is in effect.

2 (g) A PBM must inform the Director in a manner acceptable
3 to the Director of a change of address within 30 days after the
4 change. ~~A third party prescription program administrator shall~~
5 ~~(1) establish and maintain a fiduciary account, separate and~~
6 ~~apart from any and all other accounts, for the receipt and~~
7 ~~disbursement of funds for reimbursement of providers of~~
8 ~~services under the program, or (2) post, or cause to be posted,~~
9 ~~a bond of indemnity in an amount equal to not less than 10% of~~
10 ~~the total estimated annual reimbursements under the program.~~

11 ~~The establishment of such fiduciary accounts and bonds~~
12 ~~shall be consistent with applicable State law. If a bond of~~
13 ~~indemnity is posted, it shall be held by the Director of~~
14 ~~Insurance for the benefit and indemnification of the providers~~
15 ~~of services under the third party prescription program.~~

16 (h) Any PBM ~~An administrator~~ who operates more than one
17 pharmaceutical benefits management ~~third party prescription~~
18 program may establish and maintain a separate fiduciary account
19 or bond of indemnity for each such program, or may operate and
20 maintain a consolidated fiduciary account or bond of indemnity
21 for all such programs.

22 The requirements of this subsection (h) ~~Section~~ do not
23 apply to any pharmaceutical benefits management ~~third party~~
24 ~~prescription~~ program administered by or on behalf of any
25 insurance company, Health Maintenance Organization, Limited
26 Health Service Organization, or Voluntary Health Services Plan

1 ~~Care Service Plan Corporation or Pharmaceutical Service Plan~~
2 ~~Corporation~~ authorized to do business in the State of Illinois.
3 (Source: P.A. 82-1005.)

4 (215 ILCS 5/512-6) (from Ch. 73, par. 1065.59-6)
5 Sec. 512-6. Notice. Notice of any change in the terms
6 of a pharmaceutical benefits management ~~third party~~
7 ~~prescription~~ program, including but not limited to drugs
8 covered, reimbursement rates, co-payments, and dosage
9 quantity, shall be given to each enrolled pharmacy at least 30
10 days prior to the time it becomes effective.
11 (Source: P.A. 82-1005.)

12 (215 ILCS 5/512-7) (from Ch. 73, par. 1065.59-7)
13 Sec. 512-7. Required program and contractual ~~Contractual~~
14 provisions.

15 (a) Any agreement or contract entered into ~~in this State~~
16 between a PBM ~~the administrator of a program~~ and a pharmacy
17 under a pharmaceutical benefits management program shall
18 include a statement of the method and amount of reimbursement
19 to the pharmacy for services rendered to covered persons
20 enrolled in the program, the frequency of payment by the PBM
21 ~~program administrator~~ to the pharmacy for those services, and a
22 method for the adjudication of complaints and the settlement of
23 disputes between the contracting parties.

24 (b) Every prescription benefit management program shall

1 ~~(1) A program shall~~ provide an annual period of at least 30
2 days during which any pharmacy licensed under the Pharmacy
3 Practice Act may elect to participate in the program under the
4 program terms for at least one year. Beginning January 1, 2009,
5 all agreements between a pharmaceutical benefits management
6 program and any other person shall comply with the requirements
7 of this Law. To the extent that any such agreement renewed or
8 extended after December 31, 2008, fails to comply with the
9 requirements of this Law, such requirements shall be deemed to
10 be incorporated into those agreements by operation of law as of
11 the date of the renewal of execution.

12 ~~(2) If compliance with the requirements of this~~
13 ~~subsection (b) would impair any provision of a contract~~
14 ~~between a program and any other person, and if the contract~~
15 ~~provision was in existence before January 1, 1990, then~~
16 ~~immediately after the expiration of those contract~~
17 ~~provisions the program shall comply with the requirements~~
18 ~~of this subsection (b).~~

19 ~~(3) This subsection (b) does not apply if:~~

20 ~~(A) the program administrator is a licensed health~~
21 ~~maintenance organization that owns or controls a~~
22 ~~pharmacy and that enters into an agreement or contract~~
23 ~~with that pharmacy in accordance with subsection (a);~~
24 ~~or~~

25 ~~(B) the program administrator is a licensed health~~
26 ~~maintenance organization that is owned or controlled~~

1 ~~by another entity that also owns or controls a~~
2 ~~pharmacy, and the administrator enters into an~~
3 ~~agreement or contract with that pharmacy in accordance~~
4 ~~with subsection (a).~~

5 ~~(4) This subsection (b) shall be inoperative after~~
6 ~~October 31, 1992.~~

7 (c) (Blank). ~~The program administrator shall cause to be~~
8 ~~issued an identification card to each person enrolled in the~~
9 ~~program. The identification card shall include:~~

10 ~~(1) the name of the individual enrolled in the program;~~

11 ~~and~~

12 ~~(2) an expiration date if required under the~~
13 ~~contractual arrangement or agreement between a provider of~~
14 ~~pharmaceutical services and prescription drug products and~~
15 ~~the third party prescription program administrator.~~

16 (Source: P.A. 95-689, eff. 10-29-07.)

17 (215 ILCS 5/512-7.5 new)

18 Sec. 512-7.5. Disclosures.

19 (a) A PBM shall provide to a covered entity all appropriate
20 financial and utilization information relating to the cost of
21 services to that covered entity, including the cost of services
22 for its covered individuals, as well as any rebate amounts or
23 other benefits received by the PBM as a result of providing
24 such services. A PBM providing information under this
25 subsection (a) may designate that information as confidential.

1 Information designated as confidential by a PBM and provided to
2 a covered entity under this subsection (a) may not be disclosed
3 by the covered entity to any person without the consent of the
4 PBM, except that disclosure may be made in a court filing or
5 when authorized by law or ordered by a court of this State for
6 good cause.

7 (b) A PBM shall disclose to the covered entity all
8 appropriate financial terms and arrangements for remuneration
9 of any kind resulting from arrangements between the PBM and any
10 prescription drug manufacturer or labeler, including without
11 limitation formulary management and drug-switch programs,
12 educational support, claims processing, and pharmacy network
13 fees that are charged from retail pharmacies and data sales
14 fees. Any and all information disclosed under this subsection
15 (b) may be designated as confidential. Information designated
16 as confidential by a PBM and provided to a covered entity under
17 this subsection (b) may not be disclosed by the covered entity
18 to any person without the consent of the PBM, except as may be
19 required in a court of law with proper jurisdiction or as
20 authorized by law.

21 (c) A PBM shall disclose to each covered entity and covered
22 individual, either electronically or in writing and in a manner
23 calculated to be understood by layperson, all of the following
24 information:

25 (1) The amount of copayment, coinsurance, and
26 deductible associated with each and every tier of covered

1 prescription drugs.

2 (2) A notice to the covered individual advising the
3 covered individual to contact the PBM before filling or
4 obtaining a refill for a particular prescription drug the
5 covered individual is currently using to determine whether
6 there has been any change in (i) the requirements for
7 obtaining coverage for the drug or (ii) the amount that the
8 covered individual is required to pay out-of-pocket for the
9 drug.

10 (3) A notice to the covered individual advising the
11 covered individual to consider contacting his or her
12 prescribing provider to determine whether there is an
13 acceptable generic or other alternative prescription drug
14 that can be used to treat the covered individual's disease
15 or medical condition that is available at a lower
16 out-of-pocket level.

17 (d) Nothing in this Section shall prohibit a pharmacy
18 network provider from advising a covered individual of (i)
19 alternative therapeutic or generic prescription drugs that
20 might be available to the covered individual at a lower
21 out-of-pocket level and (ii) that the covered individual may
22 contact his or her prescribing provider to determine whether
23 there is an acceptable alternative prescription drug that can
24 be used to treat the covered individual's disease or medical
25 condition that is available at a lower out-of-pocket level.

1 (215 ILCS 5/512-7.10 new)

2 Sec. 512-7.10. Use of physician information. A PBM may not
3 sell or otherwise provide, directly or indirectly, to any
4 company involved with the production, sale, or distribution of
5 pharmaceutical drugs information collected with regard to
6 physician-specific prescribing patterns.

7 (215 ILCS 5/512-7.15 new)

8 Sec. 512-7.15. Recoupment. A PBM shall provide the pharmacy
9 or pharmacy network provider a remittance advice which must
10 include an explanation of a recoupment or offset taken by a
11 PBM, if any. The recoupment explanation shall, at a minimum,
12 include the name of the patient, the date of dispensing, the
13 prescription drug or drugs dispensed, the recoupment amount,
14 and the reason for the recoupment or offset. In addition, a PBM
15 shall provide with the remittance advice a telephone number or
16 mailing address to initiate an appeal of the recoupment or
17 offset.

18 (215 ILCS 5/512-8) (from Ch. 73, par. 1065.59-8)

19 Sec. 512-8. Cancellation procedures.

20 (a) The pharmacy benefits manager ~~administrator of a~~
21 ~~program~~ shall notify all pharmacies enrolled in the program of
22 any cancellation of the coverage of benefits of any group
23 enrolled in the program at least 30 days prior to the effective
24 date of such cancellation. However, if the PBM ~~administrator of~~

1 ~~a program~~ is not notified at least 45 days prior to the
2 effective date of such cancellation, the PBM ~~administrator~~
3 shall notify all pharmacies enrolled in the program of the
4 cancellation as soon as practicable after having received
5 notice.

6 (b) When a program is terminated, all persons enrolled
7 therein shall be so notified by the PBM, ~~and the employer shall~~
8 ~~make every reasonable effort to gain possession of any plan~~
9 ~~identification cards in such persons' possession.~~

10 (c) Any person who intentionally uses a program
11 identification card to obtain services from a pharmacy after
12 having received notice of the cancellation of his benefits
13 shall be guilty of a Class C misdemeanor. Persons shall be
14 liable to the PBM ~~program administrator~~ for all monies paid by
15 the PBM ~~program administrator~~ for any services received
16 pursuant to any improper use of the identification card.

17 (Source: P.A. 82-1005.)

18 (215 ILCS 5/512-9) (from Ch. 73, par. 1065.59-9)

19 Sec. 512-9. Denial of Payment.

20 (a) No PBM ~~administrator~~ shall deny payment to any pharmacy
21 for covered pharmaceutical services or prescription drug
22 products rendered as a result of the misuse, fraudulent or
23 illegal use of an identification card unless such
24 identification card had expired, been noticeably altered, or
25 the pharmacy was notified of the cancellation of such card. In

1 lieu of notifying pharmacies which have a common ownership, the
2 PBM administrator may notify a party designated by the pharmacy
3 to receive such notice, in which case, notification shall not
4 become effective until 5 calendar days after the designee
5 receives notification.

6 (b) No PBM program administrator may withhold any payment
7 to any pharmacy for covered pharmaceutical services or
8 prescription drug products beyond the time period specified in
9 the payment schedule provisions of the agreement, except for
10 individual claims for payment which have been returned to the
11 pharmacy as incomplete or illegible. Such returned claims shall
12 be paid if resubmitted by the pharmacy to the PBM program
13 administrator with the appropriate corrections made.

14 (c) No PBM may deny a claim for payment for filling a
15 prescription from a network pharmacy provider that exceeds the
16 MAC, unless the PBM advises the network pharmacy provider how
17 to obtain the particular drug at the MAC rate.

18 (Source: P.A. 82-1005.)

19 (215 ILCS 5/512-10) (from Ch. 73, par. 1065.59-10)

20 Sec. 512-10. Failure to obtain licensure Register. Any
21 pharmaceutical benefits management third party prescription
22 program or PBM that administrator which operates without a
23 license certificate of registration or fails to register with
24 the Director and pay the fee prescribed by this Article shall
25 be construed to be an unauthorized insurer as defined in

1 Article VII of this Code and shall be subject to all penalties
2 contained therein.

3 ~~The provisions of the Article shall apply to all new~~
4 ~~programs established on or after January 1, 1983. Existing~~
5 ~~programs shall comply with the provisions of this Article on~~
6 ~~the anniversary date of the programs that occurs on or after~~
7 ~~January 1, 1983.~~

8 (Source: P.A. 82-1005.)

9 (215 ILCS 5/512-11 new)

10 Sec. 512-11. Examination of business and affairs.

11 (a) The Director may, when and as often as the Director
12 deems it reasonably necessary to protect the interests of the
13 public, examine the business and affairs of any licensed PBM.

14 (b) Licensees shall maintain for a period of 5 years copies
15 of all documents, books, records, accounts, papers, and any or
16 all computer or other recordings relating to the licensee's
17 business and affairs of operating a pharmaceutical benefit
18 management program.

19 (c) Every licensee or person from whom information is
20 sought, including all officers, directors, employees and
21 agents of any licensee or person from whom information is
22 sought, shall provide to the examiners timely, convenient, and
23 free access at all reasonable hours at the licensee's or
24 person's offices to all books, records, accounts, papers,
25 documents, assets, and computer or other recordings relating to

1 the property, assets, business, and affairs of the licensee
2 being examined. The officers, directors, employees, and agents
3 of the licensee or person shall facilitate the examination and
4 aid in the examination so far as it is in their power to do so.
5 The refusal of a licensee, through its officers, directors,
6 employees, or agents, to submit to examination or to comply
7 with any reasonable written request of the Director shall be
8 grounds for suspension, revocation, or denial of issuance or
9 renewal of any license or authority held by the licensee
10 pursuant to this Law.

11 (d) The Director or his or her designee shall have the
12 power to issue subpoenas, administer oaths, and examine under
13 oath any person as to any matter pertinent to the examination.
14 Upon the failure or refusal of a person to obey a subpoena, the
15 Director may petition a court of competent jurisdiction, and
16 upon proper showing, the court may enter an order compelling
17 the witness to appear and testify or produce documentary
18 evidence.

19 (e) When making an examination under this Law, the Director
20 may retain attorneys, appraisers, independent actuaries,
21 independent certified public accountants, or other
22 professionals and specialists as examiners. The costs of
23 retaining the examiners, including their work, travel, and
24 living expenses shall be borne by the licensee that is the
25 subject of the examination.

1 (215 ILCS 5/512-12 new)

2 Sec. 512-12. Fines and penalties. In addition to or instead
3 of any applicable denial, suspension, or revocation of a
4 license issued under this Law, a licensee may, after a hearing,
5 be subject to a civil penalty of up to \$500,000 for each cause
6 of denial, suspension, or revocation.

7 Any licensee or other person who willfully or repeatedly
8 fails to observe or who otherwise violates any of the
9 provisions of this Law or this Code or any rule adopted or
10 final order entered thereunder shall, by civil penalty, forfeit
11 to the Division a sum not to exceed \$5,000. Each day during
12 which a violation occurs constitutes a separate offense.

13 (215 ILCS 5/512-13 new)

14 Sec. 512-13. Rulemaking. The Director shall have the
15 authority to adopt any rules necessary for the implementation
16 and administration of this Article."