



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB4022

Introduced 2/26/2009, by Rep. Frank J. Mautino

#### SYNOPSIS AS INTRODUCED:

215 ILCS 113/50

Amends the Employee Leasing Company Act. Provides that any registration issued under the Act may be revoked or an application for registration may be denied if the Director of Insurance finds that the lessor, applicant, chief executive officer, partner, sole proprietor, or executive director (instead of lessor or applicant) meets certain conditions.

LRB096 09186 RPM 19336 b

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 Employee Leasing Company Act is amended by  
5 changing Section 50 as follows:

6 (215 ILCS 113/50)

7 Sec. 50. Grounds for removal of eligibility; order;  
8 hearing; review.

9 (a) Any registration issued under this Act may be revoked  
10 or an application for registration may be denied if the  
11 Director finds that the lessor, ~~or~~ applicant, chief executive  
12 officer, partner, sole proprietor, or executive director:

13 (1) has willfully violated any provision of this Act or  
14 any rule promulgated by the Director;

15 (2) has intentionally made a material misstatement in  
16 the application for a registration;

17 (3) has obtained or attempted to obtain a registration  
18 through misrepresentation or fraud;

19 (4) has misappropriated or converted to his own, or  
20 improperly withheld, money required to be held in a  
21 fiduciary capacity;

22 (5) has used fraudulent, coercive, or dishonest  
23 practices, or has demonstrated incompetence,

1 untrustworthiness, or financial irresponsibility;

2 (6) has been, within the past 3 years, convicted of a  
3 felony, unless the person demonstrates to the Director  
4 sufficient rehabilitation to warrant the public trust;

5 (7) has failed to appear without reasonable cause or  
6 excuse in response to a subpoena lawfully issued by the  
7 Director;

8 (8) has had its registration or license suspended or  
9 revoked or its application denied in any other state,  
10 district, territory, or province;

11 (b) When the Director of Insurance has cause to believe  
12 that grounds for the refusal, denial, or revocation of a  
13 registration under this Section exists, the Director shall  
14 issue an order to the lessor stating the grounds upon which the  
15 refusal, denial, or revocation is based. The order shall be  
16 sent to the lessor by certified or registered mail. The lessor  
17 may request a hearing in writing within 30 days of the mailing  
18 of the order. If no written request is received by the  
19 Director, the order shall be final upon the expiration of the  
20 30 days.

21 (c) If the lessor requests a hearing pursuant to this  
22 Section, the Director shall issue a written notice of hearing  
23 sent to the lessor by certified or registered mail stating the  
24 following:

25 (1) a specified time for the hearing, which may not be  
26 less than 20 days nor more than 30 days after the mailing

1 of the notice of hearing; and

2 (2) a specific place for the hearing, which may be  
3 either in the city of Springfield or Chicago or in the  
4 county where the lessor's principal place of business is  
5 located.

6 (d) After the hearing, or upon the failure of the lessor to  
7 appear at the hearing, the Director of Insurance shall take  
8 such action as is deemed advisable on written findings that  
9 shall be served on the lessor. The action of the Director of  
10 Insurance shall be subject to review under and in accordance  
11 with the Administrative Review Law.

12 (Source: P.A. 90-499, eff. 1-1-98; 90-794, eff. 8-14-98.)