



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1544

Introduced 2/9/2011, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/408

from Ch. 73, par. 1020

Amends the Illinois Insurance Code. Provides that filing fees charged by the Director of Insurance for a policy filed as it will be issued regardless of the number of forms comprising that policy shall not exceed \$1,000. Provides that for advisory or rating organizations, fees charged for a policy filed as it will be issued regardless of the number of forms comprising that policy shall not exceed \$2,000. Effective immediately.

LRB097 06470 RPM 46552 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 408 as follows:

6 (215 ILCS 5/408) (from Ch. 73, par. 1020)

7 Sec. 408. Fees and charges.

8 (1) The Director shall charge, collect and give proper
9 acquittances for the payment of the following fees and charges:

10 (a) For filing all documents submitted for the
11 incorporation or organization or certification of a
12 domestic company, except for a fraternal benefit society,
13 \$2,000.

14 (b) For filing all documents submitted for the
15 incorporation or organization of a fraternal benefit
16 society, \$500.

17 (c) For filing amendments to articles of incorporation
18 and amendments to declaration of organization, except for a
19 fraternal benefit society, a mutual benefit association, a
20 burial society or a farm mutual, \$200.

21 (d) For filing amendments to articles of incorporation
22 of a fraternal benefit society, a mutual benefit
23 association or a burial society, \$100.

1 (e) For filing amendments to articles of incorporation
2 of a farm mutual, \$50.

3 (f) For filing bylaws or amendments thereto, \$50.

4 (g) For filing agreement of merger or consolidation:

5 (i) for a domestic company, except for a fraternal
6 benefit society, a mutual benefit association, a
7 burial society, or a farm mutual, \$2,000.

8 (ii) for a foreign or alien company, except for a
9 fraternal benefit society, \$600.

10 (iii) for a fraternal benefit society, a mutual
11 benefit association, a burial society, or a farm
12 mutual, \$200.

13 (h) For filing agreements of reinsurance by a domestic
14 company, \$200.

15 (i) For filing all documents submitted by a foreign or
16 alien company to be admitted to transact business or
17 accredited as a reinsurer in this State, except for a
18 fraternal benefit society, \$5,000.

19 (j) For filing all documents submitted by a foreign or
20 alien fraternal benefit society to be admitted to transact
21 business in this State, \$500.

22 (k) For filing declaration of withdrawal of a foreign
23 or alien company, \$50.

24 (l) For filing annual statement, except a fraternal
25 benefit society, a mutual benefit association, a burial
26 society, or a farm mutual, \$200.

1 (m) For filing annual statement by a fraternal benefit
2 society, \$100.

3 (n) For filing annual statement by a farm mutual, a
4 mutual benefit association, or a burial society, \$50.

5 (o) For issuing a certificate of authority or renewal
6 thereof except to a fraternal benefit society, \$200.

7 (p) For issuing a certificate of authority or renewal
8 thereof to a fraternal benefit society, \$100.

9 (q) For issuing an amended certificate of authority,
10 \$50.

11 (r) For each certified copy of certificate of
12 authority, \$20.

13 (s) For each certificate of deposit, or valuation, or
14 compliance or surety certificate, \$20.

15 (t) For copies of papers or records per page, \$1.

16 (u) For each certification to copies of papers or
17 records, \$10.

18 (v) For multiple copies of documents or certificates
19 listed in subparagraphs (r), (s), and (u) of paragraph (1)
20 of this Section, \$10 for the first copy of a certificate of
21 any type and \$5 for each additional copy of the same
22 certificate requested at the same time, unless, pursuant to
23 paragraph (2) of this Section, the Director finds these
24 additional fees excessive.

25 (w) For issuing a permit to sell shares or increase
26 paid-up capital:

1 (i) in connection with a public stock offering,
2 \$300;

3 (ii) in any other case, \$100.

4 (x) For issuing any other certificate required or
5 permissible under the law, \$50.

6 (y) For filing a plan of exchange of the stock of a
7 domestic stock insurance company, a plan of
8 demutualization of a domestic mutual company, or a plan of
9 reorganization under Article XII, \$2,000.

10 (z) For filing a statement of acquisition of a domestic
11 company as defined in Section 131.4 of this Code, \$2,000.

12 (aa) For filing an agreement to purchase the business
13 of an organization authorized under the Dental Service Plan
14 Act or the Voluntary Health Services Plans Act or of a
15 health maintenance organization or a limited health
16 service organization, \$2,000.

17 (bb) For filing a statement of acquisition of a foreign
18 or alien insurance company as defined in Section 131.12a of
19 this Code, \$1,000.

20 (cc) For filing a registration statement as required in
21 Sections 131.13 and 131.14, the notification as required by
22 Sections 131.16, 131.20a, or 141.4, or an agreement or
23 transaction required by Sections 124.2(2), 141, 141a, or
24 141.1, \$200.

25 (dd) For filing an application for licensing of:

26 (i) a religious or charitable risk pooling trust or

- 1 a workers' compensation pool, \$1,000;
- 2 (ii) a workers' compensation service company,
- 3 \$500;
- 4 (iii) a self-insured automobile fleet, \$200; or
- 5 (iv) a renewal of or amendment of any license
- 6 issued pursuant to (i), (ii), or (iii) above, \$100.
- 7 (ee) For filing articles of incorporation for a
- 8 syndicate to engage in the business of insurance through
- 9 the Illinois Insurance Exchange, \$2,000.
- 10 (ff) For filing amended articles of incorporation for a
- 11 syndicate engaged in the business of insurance through the
- 12 Illinois Insurance Exchange, \$100.
- 13 (gg) For filing articles of incorporation for a limited
- 14 syndicate to join with other subscribers or limited
- 15 syndicates to do business through the Illinois Insurance
- 16 Exchange, \$1,000.
- 17 (hh) For filing amended articles of incorporation for a
- 18 limited syndicate to do business through the Illinois
- 19 Insurance Exchange, \$100.
- 20 (ii) For a permit to solicit subscriptions to a
- 21 syndicate or limited syndicate, \$100.
- 22 (jj) For the filing of each form as required in Section
- 23 143 of this Code, \$50 per form. The fee for advisory and
- 24 rating organizations shall be \$200 per form.
- 25 (i) For the purposes of the form filing fee,
- 26 filings made on insert page basis will be considered

1 one form at the time of its original submission.
2 Changes made to a form subsequent to its approval shall
3 be considered a new filing.

4 (ii) Only one fee shall be charged for a form,
5 regardless of the number of other forms or policies
6 with which it will be used.

7 (iii) Fees charged for a policy filed as it will be
8 issued regardless of the number of forms comprising
9 that policy shall not exceed \$1,000. For advisory or
10 rating organizations, fees charged for a policy filed
11 as it will be issued regardless of the number of forms
12 comprising that policy shall not exceed \$2,000
13 ~~(Blank).~~

14 (iv) The Director may by rule exempt forms from
15 such fees.

16 (kk) For filing an application for licensing of a
17 reinsurance intermediary, \$500.

18 (ll) For filing an application for renewal of a license
19 of a reinsurance intermediary, \$200.

20 (2) When printed copies or numerous copies of the same
21 paper or records are furnished or certified, the Director may
22 reduce such fees for copies if he finds them excessive. He may,
23 when he considers it in the public interest, furnish without
24 charge to state insurance departments and persons other than
25 companies, copies or certified copies of reports of
26 examinations and of other papers and records.

1 (3) The expenses incurred in any performance examination
2 authorized by law shall be paid by the company or person being
3 examined. The charge shall be reasonably related to the cost of
4 the examination including but not limited to compensation of
5 examiners, electronic data processing costs, supervision and
6 preparation of an examination report and lodging and travel
7 expenses. All lodging and travel expenses shall be in accord
8 with the applicable travel regulations as published by the
9 Department of Central Management Services and approved by the
10 Governor's Travel Control Board, except that out-of-state
11 lodging and travel expenses related to examinations authorized
12 under Section 132 shall be in accordance with travel rates
13 prescribed under paragraph 301-7.2 of the Federal Travel
14 Regulations, 41 C.F.R. 301-7.2, for reimbursement of
15 subsistence expenses incurred during official travel. All
16 lodging and travel expenses may be reimbursed directly upon
17 authorization of the Director. With the exception of the direct
18 reimbursements authorized by the Director, all performance
19 examination charges collected by the Department shall be paid
20 to the Insurance Producers Administration Fund, however, the
21 electronic data processing costs incurred by the Department in
22 the performance of any examination shall be billed directly to
23 the company being examined for payment to the Statistical
24 Services Revolving Fund.

25 (4) At the time of any service of process on the Director
26 as attorney for such service, the Director shall charge and

1 collect the sum of \$20, which may be recovered as taxable costs
2 by the party to the suit or action causing such service to be
3 made if he prevails in such suit or action.

4 (5) (a) The costs incurred by the Department of Insurance
5 in conducting any hearing authorized by law shall be assessed
6 against the parties to the hearing in such proportion as the
7 Director of Insurance may determine upon consideration of all
8 relevant circumstances including: (1) the nature of the
9 hearing; (2) whether the hearing was instigated by, or for the
10 benefit of a particular party or parties; (3) whether there is
11 a successful party on the merits of the proceeding; and (4) the
12 relative levels of participation by the parties.

13 (b) For purposes of this subsection (5) costs incurred
14 shall mean the hearing officer fees, court reporter fees, and
15 travel expenses of Department of Insurance officers and
16 employees; provided however, that costs incurred shall not
17 include hearing officer fees or court reporter fees unless the
18 Department has retained the services of independent
19 contractors or outside experts to perform such functions.

20 (c) The Director shall make the assessment of costs
21 incurred as part of the final order or decision arising out of
22 the proceeding; provided, however, that such order or decision
23 shall include findings and conclusions in support of the
24 assessment of costs. This subsection (5) shall not be construed
25 as permitting the payment of travel expenses unless calculated
26 in accordance with the applicable travel regulations of the

1 Department of Central Management Services, as approved by the
2 Governor's Travel Control Board. The Director as part of such
3 order or decision shall require all assessments for hearing
4 officer fees and court reporter fees, if any, to be paid
5 directly to the hearing officer or court reporter by the
6 party(s) assessed for such costs. The assessments for travel
7 expenses of Department officers and employees shall be
8 reimbursable to the Director of Insurance for deposit to the
9 fund out of which those expenses had been paid.

10 (d) The provisions of this subsection (5) shall apply in
11 the case of any hearing conducted by the Director of Insurance
12 not otherwise specifically provided for by law.

13 (6) The Director shall charge and collect an annual
14 financial regulation fee from every domestic company for
15 examination and analysis of its financial condition and to fund
16 the internal costs and expenses of the Interstate Insurance
17 Receivership Commission as may be allocated to the State of
18 Illinois and companies doing an insurance business in this
19 State pursuant to Article X of the Interstate Insurance
20 Receivership Compact. The fee shall be the greater fixed amount
21 based upon the combination of nationwide direct premium income
22 and nationwide reinsurance assumed premium income or upon
23 admitted assets calculated under this subsection as follows:

24 (a) Combination of nationwide direct premium income
25 and nationwide reinsurance assumed premium.

26 (i) \$150, if the premium is less than \$500,000 and

1 there is no reinsurance assumed premium;

2 (ii) \$750, if the premium is \$500,000 or more, but
3 less than \$5,000,000 and there is no reinsurance
4 assumed premium; or if the premium is less than
5 \$5,000,000 and the reinsurance assumed premium is less
6 than \$10,000,000;

7 (iii) \$3,750, if the premium is less than
8 \$5,000,000 and the reinsurance assumed premium is
9 \$10,000,000 or more;

10 (iv) \$7,500, if the premium is \$5,000,000 or more,
11 but less than \$10,000,000;

12 (v) \$18,000, if the premium is \$10,000,000 or more,
13 but less than \$25,000,000;

14 (vi) \$22,500, if the premium is \$25,000,000 or
15 more, but less than \$50,000,000;

16 (vii) \$30,000, if the premium is \$50,000,000 or
17 more, but less than \$100,000,000;

18 (viii) \$37,500, if the premium is \$100,000,000 or
19 more.

20 (b) Admitted assets.

21 (i) \$150, if admitted assets are less than
22 \$1,000,000;

23 (ii) \$750, if admitted assets are \$1,000,000 or
24 more, but less than \$5,000,000;

25 (iii) \$3,750, if admitted assets are \$5,000,000 or
26 more, but less than \$25,000,000;

1 (iv) \$7,500, if admitted assets are \$25,000,000 or
2 more, but less than \$50,000,000;

3 (v) \$18,000, if admitted assets are \$50,000,000 or
4 more, but less than \$100,000,000;

5 (vi) \$22,500, if admitted assets are \$100,000,000
6 or more, but less than \$500,000,000;

7 (vii) \$30,000, if admitted assets are \$500,000,000
8 or more, but less than \$1,000,000,000;

9 (viii) \$37,500, if admitted assets are
10 \$1,000,000,000 or more.

11 (c) The sum of financial regulation fees charged to the
12 domestic companies of the same affiliated group shall not
13 exceed \$250,000 in the aggregate in any single year and
14 shall be billed by the Director to the member company
15 designated by the group.

16 (7) The Director shall charge and collect an annual
17 financial regulation fee from every foreign or alien company,
18 except fraternal benefit societies, for the examination and
19 analysis of its financial condition and to fund the internal
20 costs and expenses of the Interstate Insurance Receivership
21 Commission as may be allocated to the State of Illinois and
22 companies doing an insurance business in this State pursuant to
23 Article X of the Interstate Insurance Receivership Compact. The
24 fee shall be a fixed amount based upon Illinois direct premium
25 income and nationwide reinsurance assumed premium income in
26 accordance with the following schedule:

1 (a) \$150, if the premium is less than \$500,000 and
2 there is no reinsurance assumed premium;

3 (b) \$750, if the premium is \$500,000 or more, but less
4 than \$5,000,000 and there is no reinsurance assumed
5 premium; or if the premium is less than \$5,000,000 and the
6 reinsurance assumed premium is less than \$10,000,000;

7 (c) \$3,750, if the premium is less than \$5,000,000 and
8 the reinsurance assumed premium is \$10,000,000 or more;

9 (d) \$7,500, if the premium is \$5,000,000 or more, but
10 less than \$10,000,000;

11 (e) \$18,000, if the premium is \$10,000,000 or more, but
12 less than \$25,000,000;

13 (f) \$22,500, if the premium is \$25,000,000 or more, but
14 less than \$50,000,000;

15 (g) \$30,000, if the premium is \$50,000,000 or more, but
16 less than \$100,000,000;

17 (h) \$37,500, if the premium is \$100,000,000 or more.

18 The sum of financial regulation fees under this subsection
19 (7) charged to the foreign or alien companies within the same
20 affiliated group shall not exceed \$250,000 in the aggregate in
21 any single year and shall be billed by the Director to the
22 member company designated by the group.

23 (8) Beginning January 1, 1992, the financial regulation
24 fees imposed under subsections (6) and (7) of this Section
25 shall be paid by each company or domestic affiliated group
26 annually. After January 1, 1994, the fee shall be billed by

1 Department invoice based upon the company's premium income or
2 admitted assets as shown in its annual statement for the
3 preceding calendar year. The invoice is due upon receipt and
4 must be paid no later than June 30 of each calendar year. All
5 financial regulation fees collected by the Department shall be
6 paid to the Insurance Financial Regulation Fund. The Department
7 may not collect financial examiner per diem charges from
8 companies subject to subsections (6) and (7) of this Section
9 undergoing financial examination after June 30, 1992.

10 (9) In addition to the financial regulation fee required by
11 this Section, a company undergoing any financial examination
12 authorized by law shall pay the following costs and expenses
13 incurred by the Department: electronic data processing costs,
14 the expenses authorized under Section 131.21 and subsection (d)
15 of Section 132.4 of this Code, and lodging and travel expenses.

16 Electronic data processing costs incurred by the
17 Department in the performance of any examination shall be
18 billed directly to the company undergoing examination for
19 payment to the Statistical Services Revolving Fund. Except for
20 direct reimbursements authorized by the Director or direct
21 payments made under Section 131.21 or subsection (d) of Section
22 132.4 of this Code, all financial regulation fees and all
23 financial examination charges collected by the Department
24 shall be paid to the Insurance Financial Regulation Fund.

25 All lodging and travel expenses shall be in accordance with
26 applicable travel regulations published by the Department of

1 Central Management Services and approved by the Governor's
2 Travel Control Board, except that out-of-state lodging and
3 travel expenses related to examinations authorized under
4 Sections 132.1 through 132.7 shall be in accordance with travel
5 rates prescribed under paragraph 301-7.2 of the Federal Travel
6 Regulations, 41 C.F.R. 301-7.2, for reimbursement of
7 subsistence expenses incurred during official travel. All
8 lodging and travel expenses may be reimbursed directly upon the
9 authorization of the Director.

10 In the case of an organization or person not subject to the
11 financial regulation fee, the expenses incurred in any
12 financial examination authorized by law shall be paid by the
13 organization or person being examined. The charge shall be
14 reasonably related to the cost of the examination including,
15 but not limited to, compensation of examiners and other costs
16 described in this subsection.

17 (10) Any company, person, or entity failing to make any
18 payment of \$150 or more as required under this Section shall be
19 subject to the penalty and interest provisions provided for in
20 subsections (4) and (7) of Section 412.

21 (11) Unless otherwise specified, all of the fees collected
22 under this Section shall be paid into the Insurance Financial
23 Regulation Fund.

24 (12) For purposes of this Section:

25 (a) "Domestic company" means a company as defined in
26 Section 2 of this Code which is incorporated or organized

1 under the laws of this State, and in addition includes a
2 not-for-profit corporation authorized under the Dental
3 Service Plan Act or the Voluntary Health Services Plans
4 Act, a health maintenance organization, and a limited
5 health service organization.

6 (b) "Foreign company" means a company as defined in
7 Section 2 of this Code which is incorporated or organized
8 under the laws of any state of the United States other than
9 this State and in addition includes a health maintenance
10 organization and a limited health service organization
11 which is incorporated or organized under the laws of any
12 state of the United States other than this State.

13 (c) "Alien company" means a company as defined in
14 Section 2 of this Code which is incorporated or organized
15 under the laws of any country other than the United States.

16 (d) "Fraternal benefit society" means a corporation,
17 society, order, lodge or voluntary association as defined
18 in Section 282.1 of this Code.

19 (e) "Mutual benefit association" means a company,
20 association or corporation authorized by the Director to do
21 business in this State under the provisions of Article
22 XVIII of this Code.

23 (f) "Burial society" means a person, firm,
24 corporation, society or association of individuals
25 authorized by the Director to do business in this State
26 under the provisions of Article XIX of this Code.

1 (g) "Farm mutual" means a district, county and township
2 mutual insurance company authorized by the Director to do
3 business in this State under the provisions of the Farm
4 Mutual Insurance Company Act of 1986.

5 (Source: P.A. 93-32, eff. 7-1-03; 93-1083, eff. 2-7-05.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.