

SB2577



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB2577

Introduced 1/18/2012, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/188.2 new

Amends the Illinois Insurance Code to set forth provisions concerning the rehabilitation or liquidation of a domestic company that is a covered financial company under the federal Dodd-Frank Wall Street Reform and Consumer Protection Act. Sets forth the grounds upon which the Director of Insurance may file a complaint for an order of rehabilitation or liquidation pursuant to the provisions of the Code concerning the grounds for rehabilitation and liquidation. Provides that after notice to the insurance company, the receivership court may grant an order on the complaint for rehabilitation or liquidation within 24 hours after its filing and that if the court does not make a determination on a complaint for rehabilitation or liquidation filed by the Director within 24 hours after its filing, then it shall be deemed granted by operation of law upon the expiration of the 24-hour period. Sets forth provisions concerning the court order and the Director's powers and authority. Effective immediately.

LRB097 14508 RPM 59363 b

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 adding
5 Section 188.2 as follows:

6 (215 ILCS 5/188.2 new)

7 Sec. 188.2. Grounds for and provisions applicable to
8 rehabilitation or liquidation of a domestic company that is a
9 covered financial company under the federal Dodd-Frank Wall
10 Street Reform and Consumer Protection Act.

11 (a) The provisions of this Section apply in accordance with
12 Title II of the federal Dodd-Frank Wall Street Reform and
13 Consumer Protection Act, P.L. 111-203 with respect to an
14 insurance company that is a covered financial company, as that
15 term is defined under 12 U.S.C. 5381.

16 (b) The Director may file a complaint for an order of
17 rehabilitation or liquidation pursuant to Section 188 of this
18 Code on any of the following grounds:

19 (1) upon a determination and notification given by the
20 Secretary of the Treasury of the United States (in
21 consultation with the President of the United States) that
22 the insurance company is a financial company satisfying the
23 requirements of 12 U.S.C. 5383(b), and the board of

1 directors (or body performing similar functions) of the
2 insurance company acquiesces or consents to the
3 appointment of a receiver pursuant to 12 U.S.C.
4 5382(a)(1)(A)(i), with such consent to be considered as
5 consent to an order of rehabilitation or liquidation;

6 (2) upon an order of the United States District Court
7 for the District of Columbia under 12 U.S.C.
8 5382(a)(1)(A)(iv)(I) granting the petition of the
9 Secretary of the Treasury of the United States concerning
10 the insurance company under 12 U.S.C. 5382(a)(1)(A)(i); or

11 (3) a petition by the Secretary of the Treasury of the
12 United States concerning the insurance company is granted
13 by operation of law under 12 U.S.C. 5382(a)(1)(A)(v).

14 (c) Notwithstanding any other provision in this Article,
15 this Code, or any other law, after notice to the insurance
16 company, the receivership court may grant an order on the
17 complaint for rehabilitation or liquidation within 24 hours
18 after the filing of a complaint pursuant to this Section.

19 (d) If the receivership court does not make a determination
20 on a complaint for rehabilitation or liquidation filed by the
21 Director pursuant to this Section within 24 hours after its
22 filing, then it shall be deemed granted by operation of law
23 upon the expiration of the 24-hour period. At the time that an
24 order is deemed granted under this Section, the provisions of
25 Article XIII of this Code shall be deemed to be in effect, and
26 the Director shall be deemed to be affirmed as receiver and

1 have all of the applicable powers provided by this Code,
2 regardless of whether an order has been entered. The
3 receivership court shall expeditiously enter an order of
4 rehabilitation or liquidation that:

5 (1) is effective as of the date that it is deemed
6 granted by operation of law; and

7 (2) conforms to the provisions for rehabilitation or
8 liquidation contained in Article XIII of this Code, as
9 applicable.

10 (e) Any order of rehabilitation or liquidation made
11 pursuant to this Section shall not be subject to any stay or
12 injunction pending appeal.

13 (f) Nothing in this Section shall be construed to supersede
14 or impair any other power or authority of the Director or the
15 court under this Article or Code.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.