Sen. William R. Haine

Filed: 3/1/2012

09700SB2877sam001   LRB097 16448 RPM 66447 a

1   AMENDMENT TO SENATE BILL 2877

2   AMENDMENT NO. _____. Amend Senate Bill 2877 as follows:

3   on page 1, line 8, by replacing "131.24," with "131.23, 131.24,
4   131.26,"; and

5   on page 1, line 9, by replacing "and 131.20c," with "131.20c,
6   131.29, and 131.30,"; and

7   on page 3, by replacing lines 7 and 8 with the following:
8   "company action level as set forth in Article IIA of this Code
9   or would cause the company to be in hazardous financial
10   condition as set forth in Article XII 1/2 of this Code."; and

11   on page 10, line 16, by replacing "131.12a 131.12" with
12   "131.12"; and

13   on page 13, line 24, by replacing "(a) (Blank)." with "(a)";

1   and

2   on page 14, line 5, by replacing "(b) (Blank)." with "~~(b)~~"; and

3   on page 14, line 18, after "fairness", by inserting "of the
4   proposal"; and

5   on page 16, line 3, by replacing "it shall" with "the person
6   will"; and

7   on page 16, line 4, by replacing "131.20c" with "131.14b"; and

8   on page 16, line 6, by replacing "An" with "Beginning July 1,
9   2013, an"; and

10   on page 16, line 11, by replacing "insurer" with "company"; and

11   on page 17, line 20, by replacing "After the change of control"
12   with "after the ~~After~~ change of control,"; and

13   on page 18, line 1, by replacing "be to ~~not~~ substantially" with
14   "be ~~not~~ substantially to"; and

15   on page 18, line 2, by replacing "not" with "~~not~~"; and

16   on page 19, line 3, after "would", by inserting "not"; and

1   on page 19, line 16, by replacing "30 60" with "60"; and

2   on page 19, line 22, by replacing "securityholders" with
3   "shareholders securityholders"; and

4   on page 20, line 22, by replacing "insurers" with "companies";
5   and

6   on page 20, line 23, by replacing "hearing," with "hearing";
7   and

8   on page 22, line 2, by replacing "thereto" with "thereto"; and

9   on page 22, line 21, by replacing "insurers" with "companies
10   insurers"; and

11   on page 23, line 8, by replacing "involved insurer" with
12   "involved company insurer"; and

13   on page 23, line 8, by replacing "an insurer" with "a company
14   an insurer"; and

15   on page 23, line 14, by replacing "an insurer" with "a company
16   an insurer"; and

1   on page 24, line 1, by replacing "insurer's" with "company's
2   ~~insurer's~~"; and

3   on page 24, lines 20 and 24, by replacing "insurers" each time
4   it appears with "companies ~~insurers~~"; and

5   on page 25, line 4, by replacing "insurers" with "companies
6   ~~insurers~~"; and

7   on page 25, line 10, by replacing "an insurer" with "a company
8   ~~an insurer~~"; and

9   on page 25, line 11, by replacing "insurer" with "company
10   ~~insurer~~"; and

11   on page 25, line 14, by replacing "insurer's" with "company's
12   ~~insurer's~~"; and

13   on page 27, line 7, by replacing "insurer" with "company
14   ~~insurer~~"; and

15   on page 27, lines 13 and 17, by replacing "insurers" each time
16   it appears with "companies ~~insurers~~"; and

17   on page 27, line 19, by replacing "Insurer" each time it
18   appears with "Company ~~Insurer~~"; and

1   on page 28, line 1, by replacing "Insurer" each time it appears
2   with "Company ~~Insurer~~"; and

3   on page 28, lines 7 and 10, by replacing "insurers" each time
4   it appears with "companies ~~insurers~~"; and

5   on page 28, line 14, by replacing "insurer" with "company
6   ~~insurer~~"; and

7   on page 28, line 15, by replacing "Insurer" with "Company
8   ~~Insurer~~"; and

9   on page 28, lines 18 and 23, by replacing "insurers" each time
10 it appears with "companies ~~insurers~~"; and

11 on page 29, lines 2 and 3, by replacing "insurers" each time it
12 appears with "companies ~~insurers~~"; and

13 on page 29, line 5, by replacing "insurer's" with "company's
14 ~~insurer's~~"; and

15 on page 29, line 22, by replacing "insurers" with "companies
16 ~~insurers~~"; and

17 on page 31, lines 5 and 10, by replacing "insurer" each time it

1   appears with "company ~~insurer~~"; and

2   on page 32, line 17, by replacing "insurer" with "company
3   ~~insurer~~"; and

4   on page 35, line 12, by replacing "affiliate" with "controlling
5   affiliate"; and

6   on page 36, lines 4 and 5, by deleting "is responsible for
7   and"; and

8   on page 38, line 3, by replacing "5" with "15 ~~5~~"; and

9   on page 38, line 18, by replacing "statement" with "statement,
10   any summary of changes to a registration statement, or any
11   Enterprise Risk Filing"; and

12   on page 42, line 11, by replacing "insurer" with "company
13   ~~insurer~~"; and

14   on page 46, lines 5 and 6, by replacing "an insurer" with "a
15   company ~~an insurer~~"; and

16   on page 46, lines 7 and 9, by replacing "insurer" each time it
17   appears with "company ~~insurer~~"; and

1   on page 46, line 12, by replacing "reinsurance allocation" with
2   "all reinsurance allocation"; and

3   on page 46, line 14, by replacing "cost-sharing" with "all
4   cost-sharing"; and

5   on page 46, line 17, by replacing "insurer" with "company"; and

6   on page 46, line 21, by replacing "insurer's" with "company's";
7   and

8   on page 46, line 25, by replacing "(v);" with "(v)."; and

9   on page 47, lines 1 and 2, by replacing "insurer" each time it
10   appears with "company"; and

11   on page 47, line 3, by replacing "insurer's" with "company's";
12   and

13   on page 47, line 14, by replacing "insurer's" with "company's
14   insurer's"; and

15   on page 47, line 24, by replacing "an insurer" with "a company
16   an insurer"; and

17   on page 48, line 3, by replacing "insurer" with "company

1   ~~insurer~~"; and

2   on page 48, line 7, by replacing "insurer's" with "<u>company's</u>

3   ~~insurer's~~"; and

4   on page 49, lines 1, 10, and 12, by replacing "insurer" each

5   time it appears with "<u>company</u> ~~insurer~~"; and

6   on page 50, line 16, by replacing "insurers" with "<u>companies</u>

7   ~~insurers~~"; and

8   on page 50, lines 17, 18, 20, and 24, by replacing "insurer"

9   each time it appears with "<u>company</u> ~~insurer~~"; and

10   on page 51, lines 8, 9, and 11, by replacing "insurer" each

11   time it appears with "<u>company</u> ~~insurer~~"; and

12   on page 54, line 9; by replacing "<u>insurer</u>" with "<u>company</u>"; and

13   on page 54, line 13, by replacing "<u>companies,</u>" with "<u>companies</u>

14   <u>in accordance with Section 131.21 of this Code,</u>"; and

15   on page 54, line 17, by replacing "<u>agreements</u>" with "<u>agreements</u>

16   <u>in accordance with Section 131.22 of this Code</u>"; and

17   on page 55, line 5, by replacing "<u>insurer</u>" with "<u>company</u>"; and

1   on page 60, lines 13 and 17, by replacing "an insurer" each
2   time it appears with "a company"; and

3   on page 60, line 20, by replacing "insurer" with "company"; and

4   on page 62, immediately below line 10, by inserting the
5   following:

6   "(215 ILCS 5/131.23) (from Ch. 73, par. 743.23)
7   Sec. 131.23. Injunctions; prohibitions against voting
8   securities; sequestration of voting securities. (1) Whenever
9   it appears to the Director that any company or any director,
10   officer, employee or agent thereof has committed or is about to
11   commit a violation of this Article or of any rule, regulation,
12   or order issued by the Director hereunder, the Director may
13   apply to the Circuit Court for the county in which the
14   principal office of the company is located or to the Circuit
15   Court for Sangamon County for an order enjoining the company or
16   the director, officer, employee or agent thereof from violating
17   or continuing to violate this Article or any rule, regulation
18   or order, and for any other equitable relief as the nature of
19   the case and the interests of the company's policyholders,
20   creditors or the public may require. In any proceeding, the
21   validity of the rule, regulation or order alleged to have been
22   violated may be determined by the Court.

1   (2) No security which is the subject of any agreement or
2   arrangement regarding acquisition, or which is acquired or to
3   be acquired, in contravention of this Article or of any rule,
4   regulation or order issued by the Director hereunder may be
5   voted at any shareholder's securityholders' meeting, or may be
6   counted for quorum purposes, and any action of shareholder's
7   securityholders' requiring the affirmative vote of a
8   percentage of securities may be taken as though such securities
9   were not issued and outstanding; but no action taken at any
10   such meeting may be invalidated by the voting of such
11   securities, unless the action would materially affect control
12   of the company or unless any court of this State has so
13   ordered. If the Director has reason to believe that any
14   security of the company has been or is about to be acquired in
15   contravention of this Article or of any rule, regulation or
16   order issued by the Director hereunder the company or the
17   Director may apply to the Circuit Court for Sangamon County or
18   to the Circuit Court for the county in which the company has
19   its principal place of business (a) to enjoin the further
20   pursuit or use of any offer, request, invitation, agreement or
21   acquisition made in contravention of Sections 131.4 through
22   131.12 or any rule, regulation, or order issued by the Director
23   thereunder; (b) to enjoin the voting of any security so
24   acquired; (c) to void any vote of such security already cast at
25   any meeting of shareholders securityholders; and (d) for any
26   other equitable relief as the nature of the case and the

1   interests of the company's policyholders, creditors, or the
2   public may require.

3   (3) In any case where a person has acquired or is proposing
4   to acquire any voting securities in violation of this Article
5   or any rule, regulation or order issued by the Director
6   hereunder, the Circuit Court for Sangamon County or the Circuit
7   Court for the county in which the company has its principal
8   place of business may, on such notice as the court deems
9   appropriate, upon the application of the company or the
10   Director seize or sequester any voting securities of the
11   company owned directly or indirectly by such person, and issue
12   any orders with respect thereto as may be appropriate to
13   effectuate this Article. Notwithstanding any other provisions
14   of law, for the purposes of this Article, the situs of the
15   ownership of the securities of domestic companies is deemed to
16   be in this State.

17   (4) If the Director has reason to believe that any
18   policyholders' proxies have been or are about to be acquired in
19   contravention of this Article or of any rule, regulations or
20   order issued by the Director hereunder, the Director may apply
21   to the Circuit Court for Sangamon County or to the Circuit
22   Court for the county in which the company has its principal
23   place of business (a) to enjoin further pursuit or use of any
24   offer, request, invitation, agreement or acquisition made in
25   contravention of Section 131.4 through 131.12 and (b) for any
26   other equitable relief as the nature of the case and the

1   interests of the company's policyholders, creditors or the
2   public may require.
3   (Source: P.A. 84-805.)"; and

4   on page 64, line 19, by replacing "insurer" with "company"; and

5   on page 64, by replacing line 22 with the following:
6   "company under an order of supervision in accordance with
7   Article XII 1/2 of this Code."; and

8   on page 64, immediately below line 23, by inserting the
9   following:

10   "(215 ILCS 5/131.26) (from Ch. 73, par. 743.26)
11   Sec. 131.26. Revocation, suspension, or non-renewal of
12   company's license.
13   Whenever it appears to the Director that any person has
14   committed a violation of this Article which makes the continued
15   operation of a company contrary to the interests of
16   policyholders or the public, the Director may, after notice and
17   hearing suspend, revoke or refuse to renew the company's
18   license or authority to do business in this State for such a
19   period as the Director he finds is required for the protection
20   of policyholders or the public. Any such determination must be
21   accompanied by specific findings of fact and conclusions of
22   law.

1   (Source: P.A. 77-673.)"; and

2   on page 65, immediately below line 21, by inserting the
3   following:

4   "(215 ILCS 5/131.29 new)
5   Sec. 131.29. Rulemaking power. The Director may adopt such
6   administrative rules as are necessary to implement the
7   provisions of this Article.

8   (215 ILCS 5/131.30 new)
9   Sec. 131.30. Conflict with other laws. This Code supersedes
10   all laws and parts of laws of this State inconsistent with this
11   Code with respect to matters covered by this Code."; and

12   on page 66, by replacing line 4 with the following:
13   "1, 2013, except that Section 131.14b of the Illinois Insurance
14   Code takes effect July 1, 2013.".