



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB1194

Introduced 1/30/2013, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Insurance Navigator Licensing Act. Provides that no individual or entity shall perform, offer to perform, or advertise any service as a navigator in this State or receive navigator funding from the State or an exchange unless licensed as a navigator by the Director of Insurance under the Act. Sets forth provisions concerning prohibited activities; applications for licensure; license renewal; referrals; probation, the refusal to issue or renew a license, and the revocation or suspension of a license; reporting requirements; and the Act's relationship to other laws and rulemaking authority. Contains a severability clause. Effective immediately

LRB098 03986 RPM 37333 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 1. Short title. This Act may be cited as the  
5 Insurance Navigator Licensing Act.

6 Section 5. Definitions. As used in this Act:

7 "Director" means the Director of Insurance.

8 "Exchange" means any health benefit exchange established  
9 or operating in this State, including any exchange established  
10 or operated by the United States Department of Health and Human  
11 Services.

12 "Navigator" means a person selected to perform the  
13 activities and duties identified in 42 U.S.C. 18031(i) in this  
14 State. "Navigator" includes any person who receives grant funds  
15 from the United States Department of Health and Human Services  
16 to perform any of the activities and duties identified in 42  
17 U.S.C. 18031(i), including, but not limited to, in-person  
18 assistants and application counselors.

19 Section 10. License required.

20 (a) No individual or entity shall perform, offer to  
21 perform, or advertise any service as a navigator in this State  
22 or receive navigator funding from the State or an exchange

1 unless licensed as a navigator by the Director under this Act.

2 (b) A navigator may not:

3 (1) engage in any activities that would require an  
4 insurance producer license;

5 (2) provide advice concerning the benefits, terms, and  
6 features of a particular health plan or offer advice about  
7 which health plan is better or worse for a particular  
8 individual or employer;

9 (3) recommend or endorse a particular health plan or  
10 advise consumers about which health plan to choose; or

11 (4) provide any information or services related to  
12 health benefit plans or other products not offered in the  
13 exchange.

14 (c) Only a person licensed as an insurance producer in this  
15 State may:

16 (1) sell, solicit, or negotiate health insurance;

17 (2) provide advice concerning the benefits, terms, and  
18 features of a particular health plan or offer advice about  
19 which health plan is better or worse for a particular  
20 individual or employer; or

21 (3) recommend a particular health plan or advise  
22 consumers about which health plan to choose.

23 Section 15. Application for license.

24 (a) An individual applying for a navigator license shall  
25 make application to the Director on a form developed by the

1 Director and declare under penalty of refusal, suspension, or  
2 revocation of the license that the statements made in the  
3 application are true, correct, and complete to the best of the  
4 individual's knowledge and belief. Before approving the  
5 application, the Director shall find that the individual:

6 (1) is at least 18 years of age;

7 (2) resides in this State or maintains his or her  
8 principal place of business in this State;

9 (3) is not disqualified due to having committed any act  
10 that would be grounds for denial, suspension, or revocation  
11 of an insurance producer license under the Illinois  
12 Insurance Code;

13 (4) has completed the pre-licensing training and  
14 course of study prescribed by the Director;

15 (5) has successfully passed the written examination  
16 prescribed by the Director;

17 (6) when applicable, has the written consent of the  
18 Director pursuant to 18 U.S.C. 1033, or any successor  
19 statute regulating crimes by or affecting persons engaged  
20 in the business of insurance whose activities affect  
21 interstate commerce;

22 (7) possesses the requisite character and integrity;

23 (8) has identified the entity with which it is  
24 affiliated and by which it is supervised; and

25 (9) has paid the fees prescribed by the Director.

26 (b) An entity that acts as a navigator, supervises the

1 activities of individual navigators, or receives funding to  
2 perform such activities shall obtain a navigator license. An  
3 entity applying for a navigator license shall make application  
4 on a form containing the information prescribed by the  
5 Director.

6 (c) The Director may require any documents deemed necessary  
7 to verify the information contained in an application submitted  
8 in accordance with subsections (a) and (b) of this Section.

9 (d) Entities licensed as navigators shall, in a manner  
10 prescribed by the Director, periodically provide the Director  
11 with a list of all individual navigators that it employs,  
12 supervises, or is affiliated with.

13 (e) The Director shall require that each navigator obtain a  
14 surety bond in an amount acceptable to the Director or  
15 otherwise demonstrate a level of financial responsibility  
16 capable of protecting all persons against the wrongful acts,  
17 misrepresentations, or negligence of the navigator. The  
18 Director may ask for a copy of the bond or other evidence of  
19 financial responsibility at any time.

20 (f) Prior to any exchange becoming operational in this  
21 State, the Director shall prescribe initial training,  
22 continuing education, and written examination standards and  
23 requirements for navigators.

24 Section 20. License renewal.

25 (a) A navigator license shall be valid for 2 years.

1           (b) A navigator may file an application for renewal of a  
2 license in a method prescribed by the Director and pay the  
3 renewal fee prescribed by the Director. Any navigator who fails  
4 to timely file for license renewal shall be charged a late fee  
5 in an amount prescribed by the Director.

6           (c) Prior to the filing date for application for renewal of  
7 a license, an individual licensee shall comply with ongoing  
8 training and continuing education requirements established by  
9 the Director. The navigator shall file with the Director, by a  
10 method prescribed by the Director, satisfactory certification  
11 of completion of the continuing education requirements. Any  
12 failure to fulfill the ongoing training and continuing  
13 education requirements shall result in the expiration of the  
14 license.

15           Section 25. Navigator referrals. On contact with a person  
16 who acknowledges having existing health insurance coverage  
17 obtained through an insurance producer, a navigator shall refer  
18 the person back to that insurance producer for information,  
19 assistance, and any other services.

20           Section 30. Grounds for placing on probation; refusal to  
21 issue or renew a license; revocation or suspension of a  
22 license.

23           (a) The Director may place on probation, suspend, revoke,  
24 or refuse to issue, renew, or reinstate a navigator license, or

1 may levy a fine for each violation, or any combination of  
2 actions, for any one or more of the causes set forth in this  
3 Act or for other good cause.

4 (b) In addition to imposing the penalties authorized by  
5 subsection (a) of this Section, the Director may require that  
6 restitution be made to any person who has suffered financial  
7 injury because of a violation of this Act.

8 (c) The Director shall have power to examine and  
9 investigate the business affairs and records of any navigator  
10 to determine whether the individual or entity has engaged or is  
11 engaging in any violation of this Act.

12 (d) The navigator license held by an entity may be  
13 suspended or revoked, or the renewal or reinstatement thereof  
14 may be refused, or a fine may be levied with or without a  
15 suspension, revocation, or refusal to renew a license, if the  
16 Director finds that an individual licensee's violation was  
17 known or should have been known by the employing or supervising  
18 entity and the violation was not reported to the Director and  
19 no corrective action was undertaken on a timely basis.

20 Section 35. Reporting to the Director.

21 (a) Each licensed navigator shall report to the Director  
22 within 30 calendar days after the final disposition of the  
23 matter any administrative action taken against him in another  
24 jurisdiction or by another governmental agency in this State.  
25 The report shall include a copy of the order, consent to order,

1 or other relevant legal documents.

2 (b) Within 30 days after the initial pretrial hearing date,  
3 a navigator shall report to the Director any criminal  
4 prosecution of the navigator taken in any jurisdiction. The  
5 report shall include a copy of the initial complaint filed, the  
6 order resulting from the hearing, and any other relevant legal  
7 documents.

8 (c) An entity that acts as a navigator that terminates the  
9 employment, engagement, affiliation, or other relationship  
10 with an individual navigator shall notify the Director within  
11 30 days following the effective date of the termination, using  
12 a format prescribed by the Director, if the reason for  
13 termination is one of the reasons set forth in this Act or the  
14 entity has knowledge the navigator was found by a court or  
15 government body to have engaged in any of the activities  
16 prohibited by this Act. Upon the written request of the  
17 Director, the entity shall provide additional information,  
18 documents, records, or other data pertaining to the termination  
19 or activity of the individual.

20 Section 40. Other laws; rulemaking authority.

21 (a) The requirements of the Illinois Insurance Code, and  
22 any related rules, shall apply to navigators. The activities  
23 and duties of a navigator shall be deemed to constitute  
24 transacting the business of insurance.

25 (b) The requirements of this Act shall not apply to any



1 individual or entity licensed as an insurance producer in this  
2 State.

3 (c) Pursuant to the authority granted by this Act, the  
4 Director may adopt rules as may be necessary or appropriate for  
5 the administration and enforcement of this Act.

6 Section 97. Severability. The provisions of this Act are  
7 severable under Section 1.31 of the Statute on Statutes.

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.