

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Insurance Code is amended by changing Section 500-35 as follows:

(215 ILCS 5/500-35)

(Section scheduled to be repealed on January 1, 2027)

Sec. 500-35. License.

(a) Unless denied a license pursuant to Section 500-70, persons who have met the requirements of Sections 500-25 and 500-30 shall be issued a 2-year insurance producer license. An insurance producer may receive qualification for a license in one or more of the following lines of authority:

(1) Life: insurance coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income.

(2) Variable life and variable annuity products: insurance coverage provided under variable life insurance contracts and variable annuities.

(3) Accident and health or sickness: insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income.

(4) Property: insurance coverage for the direct or consequential loss or damage to property of every kind.

(5) Casualty: insurance coverage against legal liability, including that for death, injury, or disability or damage to real or personal property.

(6) Personal lines: property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.

(7) Any other line of insurance permitted under State laws or rules.

(b) An insurance producer license shall remain in effect unless revoked or suspended as long as the fee set forth in Section 500-135 is paid and education requirements for resident individual producers are met by the due date.

(1) Before each license renewal, an insurance producer must satisfactorily complete at least 24 hours of course study or participation in a professional insurance association under paragraph (3) of this subsection in accordance with rules prescribed by the Director. Three of the 24 hours of course study must consist of classroom or webinar ethics instruction. The Director may not approve a course of study unless the course provides for classroom, seminar, webinar, or self-study instruction methods. A course given in a combination instruction method of classroom, seminar, webinar, or self-study shall be deemed to be a self-study course unless the classroom, seminar,

or webinar certified hours meets or exceeds two-thirds of total hours certified for the course. The self-study material used in the combination course must be directly related to and complement the classroom portion of the course in order to be considered for credit. An instruction method other than classroom or seminar shall be considered as self-study methodology. Self-study credit hours require the successful completion of an examination covering the self-study material. The examination may not be self-evaluated. However, if the self-study material is completed through the use of an approved computerized interactive format whereby the computer validates the successful completion of the self-study material, no additional examination is required. The self-study credit hours contained in a certified course shall be considered classroom hours when at least two-thirds of the hours are given as classroom or seminar instruction.

(2) An insurance producer license automatically terminates when an insurance producer fails to successfully meet the requirements of item (1) of subsection (b) of this Section. The producer must complete the course in advance of the renewal date to allow the education provider time to report the credit to the Department.

(3) An insurance producer's active participation in a State or national professional insurance association may

be approved by the Director for up to 4 hours of continuing education credit per biennial reporting period. Credit shall be provided on an hour-for-hour basis. These hours shall be verified and submitted by the association on behalf of the insurance producer and credited upon timely filing with the Director or his or her designee on a biennial basis. Any association submitting continuing education credit hours on behalf of insurance producers must be registered as an education provider under Section 500-135. Credit granted under these provisions shall not be used to satisfy ethics education requirements. Active participation in a State or national professional insurance association is defined by one of the following methods:

(A) service on a board of directors of a State or national chapter of the association;

(B) service on a formal committee of a State or national chapter of the association; or

(C) service on a formal subcommittee or task force of a State or national chapter of the association.

(c) A provider of a pre-licensing or continuing education course required by Section 500-30 and this Section must pay a registration fee and a course certification fee for each course being certified as provided by Section 500-135.

(d) An individual insurance producer who allows his or her license to lapse may, within 12 months after the due date of

the renewal fee, be issued a license without the necessity of passing a written examination. However, a penalty in the amount of double the unpaid renewal fee shall be required after the due date.

(e) A licensed insurance producer who is unable to comply with license renewal procedures due to military service may request a waiver of those procedures.

(f) The license must contain the licensee's name, address, and personal identification number, the date of issuance, the lines of authority, the expiration date, and any other information the Director deems necessary.

(g) Licensees must inform the Director by any means acceptable to the Director of a change of address within 30 days after the change.

(h) In order to assist in the performance of the Director's duties, the Director may contract with a non-governmental entity including the National Association of Insurance Commissioners (NAIC), or any affiliates or subsidiaries that the NAIC oversees, to perform any ministerial functions, including collection of fees, related to producer licensing that the Director and the non-governmental entity may deem appropriate.

(Source: P.A. 100-876, eff. 8-14-18.)