AN ACT in relation to insurance.

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 Sections 143, 204, 209, and 408 as follows:

(215 ILCS 5/143) (from Ch. 73, par. 755)

Sec. 143. Policy forms.

(1) Life, accident and health. No company transacting the kind or kinds of business enumerated in Classes 1 (a), 1 (b) and 2 (a) of Section 4 shall issue or deliver in this State a policy or certificate of insurance or evidence of coverage, attach an endorsement or rider thereto, incorporate by reference bylaws or other matter therein or use an application blank in this State until the form and content of such policy, certificate, evidence of coverage, endorsement, rider, bylaw or other matter incorporated by reference or application blank has been filed electronically with the Director, either through the System for Electronic Rate and Form Filing (SERFF) or as otherwise prescribed by the Director, and approved by the Director. The Department shall mail a quarterly invoice to the company for the appropriate filing fees required under Section 408. ~~and the appropriate filing fee under Section 408 has been paid, except that~~ Any such endorsement or rider that unilaterally reduces benefits and is to be attached to a policy subsequent to the date the policy is issued must be filed with, reviewed, and formally approved by the Director prior to the date it is attached to a policy issued or delivered in this State. It shall be the duty of the Director to withhold approval of any such policy, certificate, endorsement, rider, bylaw or other matter incorporated by reference or application blank filed with him if it contains provisions which encourage misrepresentation or are unjust, unfair, inequitable,

ambiguous, misleading, inconsistent, deceptive, contrary to law or to the public policy of this State, or contains exceptions and conditions that unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the policy. In all cases the Director shall approve or disapprove any such form within 60 days after submission unless the Director extends by not more than an additional 30 days the period within which he shall approve or disapprove any such form by giving written notice to the insurer of such extension before expiration of the initial 60 days period. The Director shall withdraw his approval of a policy, certificate, evidence of coverage, endorsement, rider, bylaw, or other matter incorporated by reference or application blank if he subsequently determines that such policy, certificate, evidence of coverage, endorsement, rider, bylaw, other matter, or application blank is misrepresentative, unjust, unfair, inequitable, ambiguous, misleading, inconsistent, deceptive, contrary to law or public policy of this State, or contains exceptions or conditions which unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the policy or evidence of coverage.

If a previously approved policy, certificate, evidence of coverage, endorsement, rider, bylaw or other matter incorporated by reference or application blank is withdrawn for use, the Director shall serve upon the company an order of withdrawal of use, either personally or by mail, and if by mail, such service shall be completed if such notice be deposited in the post office, postage prepaid, addressed to the company's last known address specified in the records of the Department of Insurance. The order of withdrawal of use shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director. Such hearing shall be held at such time and place as designated in the order given by the Director. The hearing may be held either in the City of Springfield, the City of Chicago or in the county where the

principal business address of the company is located. The action of the Director in disapproving or withdrawing such form shall be subject to judicial review under the Administrative Review Law.

This subsection shall not apply to riders or endorsements issued or made at the request of the individual policyholder relating to the manner of distribution of benefits or to the reservation of rights and benefits under his life insurance policy.

(2) Casualty, fire, and marine. The Director shall require the filing of all policy forms issued or delivered by any company transacting the kind or kinds of business enumerated in Classes 2 (except Class 2 (a)) and 3 of Section 4. In addition, he may require the filing of any generally used riders, endorsements, certificates, application blanks, and other matter incorporated by reference in any such policy or contract of insurance. The Department shall mail a quarterly invoice to the company for the appropriate filing fees required under Section 408 ~~along with the appropriate filing fee under Section 408~~. Companies that are members of an organization, bureau, or association may have the same filed for them by the organization, bureau, or association. If the Director shall find from an examination of any such policy form, rider, endorsement, certificate, application blank, or other matter incorporated by reference in any such policy so filed that it (i) violates any provision of this Code, (ii) contains inconsistent, ambiguous, or misleading clauses, or (iii) contains exceptions and conditions that will unreasonably or deceptively affect the risks that are purported to be assumed by the policy, he shall order the company or companies issuing these forms to discontinue their use. Nothing in this subsection shall require a company transacting the kind or kinds of business enumerated in Classes 2 (except Class 2 (a)) and 3 of Section 4 to obtain approval of these forms before they are issued nor in any way affect the legality of any policy that has been issued and found to be in conflict with

this subsection, but such policies shall be subject to the provisions of Section 442.

(3) This Section shall not apply (i) to surety contracts or fidelity bonds, (ii) to policies issued to an industrial insured as defined in Section 121-2.08 except for workers' compensation policies, nor (iii) to riders or endorsements prepared to meet special, unusual, peculiar, or extraordinary conditions applying to an individual risk.

(Source: P.A. 90-794, eff. 8-14-98.)

(215 ILCS 5/204) (from Ch. 73, par. 816)

Sec. 204. Prohibited and voidable transfers and liens.

(a)(1) A preference is a transfer of any of the property of a company to or for the benefit of a creditor, for or on account of an antecedent debt, made or suffered by the company within 2 years before the filing of a complaint under this Article, the effect of which may be to enable the creditor to obtain a greater percentage of this debt than another creditor of the same class would receive.

(2) Any preference may be avoided by the Director as rehabilitator, liquidator, or conservator if:

(A) the company was insolvent at the time of the transfer; and

(B) the transfer was made within 4 months before the filing of the complaint; or the creditor receiving it was (i) an officer, or any employee or attorney or other person who was in fact in a position of comparable influence in the company to an officer whether or not that person held such a position, (ii) any shareholder holding, directly or indirectly, more than 5% of any class of any equity security issued by the company, or (iii) any other person, firm, corporation, association, or aggregation of individuals with whom the company did not deal at arm's length.

(3) Where the preference is voidable, the Director as rehabilitator, liquidator, or conservator may recover the

property or, if it has been converted, its value from any person who has received or converted the property; except where a bona fide purchaser or lienor has given less than fair equivalent value, the purchaser or lienor shall have a lien upon the property to the extent of the consideration actually given. Where a preference by way of lien or security title is voidable, the court may on due notice order the lien or title to be preserved for the benefit of the estate, in which event the lien or title shall pass to the Director as rehabilitator or liquidator.

(b) (1) A transfer of property other than real property shall be deemed to be made or suffered when it becomes so far perfected that no subsequent lien obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee.

(2) A transfer of real property shall be deemed to be made or suffered when it becomes so far perfected that no subsequent bona fide purchaser from the company could obtain rights superior to the rights of the transferee.

(3) A transfer that creates an equitable lien shall not be deemed to be perfected if there are available means by which a legal lien could be created.

(4) A transfer not perfected before the filing of a complaint shall be deemed to be made immediately before the filing of the complaint.

(5) The provisions of this subsection apply whether or not there are or were creditors who might have obtained liens or persons who might have become bona fide purchasers.

(c) For purposes of this Section:

(1) A lien obtainable by legal or equitable proceedings upon a simple contract is one arising in the ordinary course of the proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens that, under applicable law, are given a

special priority over other liens that are prior in time.

(2) A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee, or a purchaser could obtain rights superior to the rights of a transferee within the meaning of subsection (b) of this Section, if such consequences would follow only from the lien or purchase itself, or from the lien or purchase followed by any step wholly within the control of the respective lienholder or purchaser, with or without the aid of ministerial action by public officials. A lien could not, however, become superior and a purchase could not create superior rights for the purpose of subsection (b) of this Section through any acts subsequent to an obtaining of the lien or subsequent to a purchase that requires the agreement or concurrence of any third party or that requires any further judicial action or ruling.

(d) A transfer of property for or on account of a new and contemporaneous consideration which is deemed under subsection (b) of this Section to be made or suffered after the transfer because of delay in perfecting it does not thereby become a transfer for or on account of an antecedent debt if any acts required by the applicable law to be performed in order to perfect the transfer as against liens or bona fide purchasers' rights are performed within 21 days or any period expressly allowed by the law, whichever is less. A transfer to secure a future loan, if the loan is actually made, or a transfer that becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.

(e) If any lien deemed voidable under part (2) of subsection (a) of this Section has been dissolved by the furnishing of a bond or other obligation, the surety on which has been indemnified directly or indirectly by the transfer of or the creation of a lien upon any property of a company before the filing of a complaint under this Article, the indemnifying transfer or lien shall also be deemed voidable.

(f) The property affected by any lien deemed voidable under subsections (a) and (e) of this Section shall be discharged from the lien, and that property and any of the indemnifying property transferred to or for the benefit of a surety shall pass to the Director as rehabilitator or liquidator, except that the court may, on due notice, order any such lien to be preserved for the benefit of the estate and the court may direct that such conveyance be executed as may be proper or adequate to evidence the title of the Director as rehabilitator or liquidator.

(g) The court shall have summary jurisdiction over any proceeding by the Director as rehabilitator, liquidator, or conservator to hear and determine the rights of any parties under this Section. Reasonable notice of any hearings in the proceeding shall be given to all parties in interest, including the obligee of a releasing bond or other life obligation. Where an order is entered for the recovery of indemnifying property in kind or for the avoidance of an indemnifying lien, the court, upon application of any party in interest, shall in the same proceeding ascertain the value of the property or lien, and if the value is less than the amount for which the property is indemnity or than the amount of the lien, the transferee or lienholder may elect to retain the property or lien upon payment of its value, as ascertained by the court, to the Director as rehabilitator, liquidator, or conservator, within such reasonable times as the court shall fix.

(h) The liability of the surety under the releasing bond or other similar obligation shall be discharged to the extent of the value of the indemnifying property recovered or the indemnifying lien nullified and avoided by the Director as rehabilitator, liquidator, or conservator. Where the property is retained under subsection (g) of this Section, the liability shall be discharged to the extent of the amount paid to the Director as rehabilitator, liquidator, or conservator.

(i) If a creditor has been preferred and thereafter in good faith gives the company further credit without security of any

kind, for property which becomes a part of the company's estate, the amount of the new credit remaining unpaid at the time of the petition may be set off against the preference which would otherwise be recoverable from the creditor.

(j) If a company shall, directly or indirectly, within 4 months before the filing of a complaint under this Article, or at any time in contemplation of such a proceeding, pay money or transfer property to any attorney for services rendered or to be rendered, the transactions may be examined by the court on its own motion or shall be examined by the court on petition of the Director as rehabilitator, liquidator, or conservator and shall be held valid only to the extent of a reasonable amount to be determined by the court, and the excess may be recovered by the Director as rehabilitator, liquidator, or conservator for the benefit of the estate provided that where the attorney is in a position of influence in the company or an affiliate thereof payment of any money or the transfer of any property to the attorney for services rendered or to be rendered shall be governed by item (B) of part (2) of subsection (a) of this Section.

(k) (1) An officer, director, manager, employee, shareholder, member, subscriber, attorney, or other person acting on behalf of the company who knowingly participates in giving any preference when that officer, director, manager, employee, shareholder, member, subscriber, attorney, or other person has reasonable cause to believe the company is or is about to become insolvent at the time of the preference shall be personally liable to the Director as rehabilitator, liquidator, or conservator for the amount of the preference. There is a reasonable cause to so believe if the transfer was made within 4 months before the date of filing of the complaint.

(2) A person receiving any property from the company or the benefit thereof as a preference voidable under subsection (a) of this Section shall be personally liable therefor and shall be bound to account to the Director as rehabilitator,

liquidator, or conservator.

(3) Nothing in this Section shall prejudice any other claim by the Director as rehabilitator, liquidator, or conservator against any person.

(l) For purposes of this Section, the company is presumed to have been insolvent on and during the 4 month period immediately preceding the date of the filing of the complaint.

(m) The Director as rehabilitator, liquidator, or conservator may not avoid a transfer under this Section to the extent that the transfer was:

(A) Intended by the company and the creditor to or for whose benefit the transfer was made to be a contemporaneous exchange for new value given to the company, and was in fact a substantially contemporaneous exchange; or.

(B) In payment of a debt incurred by the company in the ordinary course of business or financial affairs of the company and the transferee; made in the ordinary course of business or financial affairs of the company and the transferee; and made according to ordinary business terms; or.

(C) In the case of a transfer by a company where the Director has determined that an event described in Section 35A-25 or 35A-30 has occurred, specifically approved by the Director in writing pursuant to this subsection, whether or not the company is in receivership under this Article. Upon approval by the Director, such a transfer cannot later be found to constitute a prohibited or voidable transfer based solely upon a deviation from the statutory payment priorities established by law for any subsequent receivership.

(n) The Director as rehabilitator, liquidator, or conservator may avoid any transfer of or lien upon the property of a company that the estate of the company or a policyholder, creditor, member, or stockholder of the company may have avoided, and the Director as rehabilitator, liquidator, or conservator may recover and collect the property so transferred

or its value from the person to whom it was transferred unless the property was transferred to a bona fide holder for value before the filing of the complaint. The Director as rehabilitator, liquidator, or conservator shall be deemed a creditor for purposes of pursuing claims under the Uniform Fraudulent Transfer Act.

(Source: P.A. 89-206, eff. 7-21-95.)

(215 ILCS 5/209) (from Ch. 73, par. 821)

Sec. 209. Proof and allowance of claims.

(1) A proof of claim shall consist of a written statement signed under oath setting forth the claim, the consideration for it, whether the claim is secured and, if so, how, what payments have been made on the claim, if any, and that the sum claimed is justly owing from the company. Whenever a claim is based upon a document, the document, unless lost or destroyed, shall be filed with the proof of claim. If the document is lost or destroyed, a statement of that fact and of the circumstances of the loss or destruction shall be included in the proof of claim. A claim may be allowed even if contingent or unliquidated as of the date fixed by the court pursuant to subsection (a) of Section 194 if it is filed in accordance with this subsection. Except as otherwise provided in subsection (7), a proof of claim required under this Section must identify a known loss or occurrence ~~particular claim~~.

(2) At any time, the Director may require the claimant to present information or evidence supplementary to that required under subsection (l) and may take testimony under oath, require production of affidavits or depositions, or otherwise obtain additional information or evidence.

(3) Upon the liquidation, rehabilitation, or conservation of any company which has issued policies insuring the lives of persons, the Director shall, within a reasonable time, after the last day set for the filing of claims, make a list of the persons who have not filed proofs of claim with him and whose rights have not been reinsured, to whom it appears from the

books of the company, there are owing amounts on such policies and he shall set opposite the name of each person such amount so owing to such person. The Director shall incur no personal liability by reason of any mistake in such list. Each person whose name shall appear upon said list shall be deemed to have duly filed prior to the last day set for filing of claims a proof of claim for the amount set opposite his name on said list.

(4)(a) When a Liquidation, Rehabilitation, or Conservation Order has been entered in a proceeding against an insurer under this Code, any insured under an insurance policy shall have the right to file a contingent claim. The Court at the time of the entry of the Order of Liquidation, Rehabilitation or Conservation shall fix the final date for the liquidation of insureds' contingent claims, but in no event shall said date be more than 3 years after the last day fixed for the filing of claims, provided, such date may be extended by the Court on petition of the Director should the Director determine that such extension will not delay distribution of assets under Section 210. Such a contingent claim shall be allowed if such claim is liquidated and the insured claimant presents evidence of payment of such claim to the Director on or before the last day fixed by the Court.

(b) When an insured has been unable to liquidate its claim under paragraph (a) of this subsection (4), the insured may have its claim allowed by estimation if (i) it may be reasonably inferred from the proof presented upon the claim that a claim exists under the policy; (ii) the insured has furnished suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against the insurer arising out of the cause of action other than those already presented can be made, and (iii) the total liability of the insurer to all claimants arising out of the same act shall be no greater than its total liability would be were it not in liquidation, rehabilitation, or conservation.

(5) The obligation of the insurer, if any, to defend or

continue the defense of any claim or suit under a liability insurance policy shall terminate on the entry of the Order of Liquidation, Rehabilitation or Conservation, except during the appeal of an Order of Liquidation as provided by Section 190.1 or, unless upon the petition of the Director, the court directs otherwise. Insureds may include in contingent claims reasonable attorneys fees for services rendered subsequent to the date of Liquidation, Rehabilitation or Conservation in defense of claims or suits covered by the insured's policy provided such attorneys fees have actually been paid by the assured and evidence of payment presented in the manner required for insured's contingent claims.

(6) When a liquidation, rehabilitation, or conservation order has been entered in a proceeding against an insurer under this Code, any person who has a cause of action against an insured of the insurer under an insurance policy issued by the insurer shall have the right to file a claim in the proceeding, regardless of the fact that the claim may be contingent, and the claim may be allowed by estimation (a) if it may be reasonably, inferred from proof presented upon the claim that the claimant would be able to obtain a judgment upon the cause of action against the insured; and (b) if the person has furnished suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against the insurer arising out of the cause of action other than those already presented can be made, and (c) the total liability of the insurer to all claimants arising out of the same act shall be no greater than its total liability would be were it not in liquidation, rehabilitation, or conservation.

(7) Contingent or unliquidated general creditors' and ceding insurers' claims that are not made absolute and liquidated by the last day fixed by the court pursuant to subsection (4) may ~~shall~~ be determined and allowed by estimation. Any such estimate shall be based upon an actuarial evaluation made with reasonable actuarial certainty or upon another accepted method of valuing claims with reasonable

certainty and, with respect to ceding insurers' claims, may include an estimate of incurred but not reported losses.

(7.5) (a) The estimation and allowance of the loss development on a known loss or occurrence shall trigger a reinsurer's obligation to pay pursuant to its reinsurance contract with the insolvent company, provided that the allowance is made in accordance with paragraph (b) of subsection (4) or subsection (6). The Director shall have the authority to exercise all available remedies on behalf of the insolvent company to marshal these reinsurance recoverables.

(b) That portion of any estimated and allowed contingent claim that is attributable to claims incurred but not reported to the insolvent company's reinsured shall not be billable to the insolvent company's reinsurers, except to the extent that (A) such claims develop into known losses or occurrences and become billable under paragraph (a) of this subsection or (B) the reinsurance contract specifically provides for the payment of such losses or reserves.

(c) Notwithstanding any other provision of this Code, the liquidator may negotiate a voluntary commutation and release of all obligations arising from reinsurance contracts or other agreements.

(8) No judgment against such an insured or an insurer taken after the date of the entry of the liquidation, rehabilitation, or conservation order shall be considered in the proceedings as evidence of liability, or of the amount of damages, and no judgment against an insured or an insurer taken by default, or by collusion prior to the entry of the liquidation order shall be considered as conclusive evidence in the proceeding either of the liability of such insured to such person upon such cause of action or of the amount of damages to which such person is therein entitled.

(9) The value of securities held by secured creditors shall be determined by converting the same into money according to the terms of the agreement pursuant to which such securities were delivered to such creditors, or by such creditors and the

Director by agreement, or by the court, and the amount of such value shall be credited upon the claims of such secured creditors and their claims allowed only for the balance.

(10) Claims of creditors or policyholders who have received preferences voidable under Section 204 or to whom conveyances or transfers, assignments or incumbrances have been made or given which are void under Section 204, shall not be allowed unless such creditors or policyholders shall surrender such preferences, conveyances, transfers, assignments or incumbrances.

(11)(a) When the Director denies a claim or allows a claim for less than the amount requested by the claimant, written notice of the determination and of the right to object shall be given promptly to the claimant or the claimant's representative by first class mail at the address shown on the proof of claim. Within 60 days from the mailing of the notice, the claimant may file his written objections with the Director. If no such filing is made on a timely basis, the claimant may not further object to the determination.

(b) Whenever objections are filed with the Director and he does not alter his determination as a result of the objection and the claimant continues to object, the Director shall petition the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or his representative and to any other persons known by the Director to be directly affected, not less than 10 days before the date of the hearing.

(12) The Director shall review all claims duly filed in the liquidation, rehabilitation, or conservation proceeding, unless otherwise directed by the court, and shall make such further investigation as he considers necessary. The Director may compound, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court. Unresolved disputes shall be determined under subsection (11).

(13)(a) The Director shall present to the court reports of claims reviewed under subsection (12) with his recommendations

as to each claim.

(b) The court may approve or disapprove any recommendations contained in the reports of claims filed by the Director, except that the Director's agreements with claimants shall be accepted as final by the court on claims settled for $10,000 or less.

(14) The changes made in this Section by this amendatory Act of 1993 apply to all liquidation, rehabilitation, or conservation proceedings that are pending on the effective date of this amendatory Act of 1993 and to all future liquidation, rehabilitation, or conservation proceedings, except that the changes made to the provisions of this Section by this amendatory Act of 1993 shall not apply to any company ordered into liquidation on or before January 1, 1982.

(15) The changes made in this Section by this amendatory Act of the 93rd General Assembly do not apply to any company ordered into liquidation on or before January 1, 2004.

(Source: P.A. 91-357, eff. 7-29-99.)

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

Sec. 408. Fees and charges.

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

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

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

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

(d) For filing amendments to articles of incorporation of a fraternal benefit society, a mutual benefit

association or a burial society, $100.

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

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

(g) For filing agreement of merger or consolidation:

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

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

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

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

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

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

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

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

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

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

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

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

(q) For issuing an amended certificate of authority,

$50.

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

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

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

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

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

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

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

(ii) in any other case, $100.

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

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

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

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

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

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

(dd) For filing an application for licensing of:

(i) a religious or charitable risk pooling trust or a workers' compensation pool, $1,000;

(ii) a workers' compensation service company, $500;

(iii) a self-insured automobile fleet, $200; or

(iv) a renewal of or amendment of any license issued pursuant to (i), (ii), or (iii) above, $100.

(ee) For filing articles of incorporation for a syndicate to engage in the business of insurance through the Illinois Insurance Exchange, $2,000.

(ff) For filing amended articles of incorporation for a syndicate engaged in the business of insurance through the Illinois Insurance Exchange, $100.

(gg) For filing articles of incorporation for a limited syndicate to join with other subscribers or limited syndicates to do business through the Illinois Insurance Exchange, $1,000.

(hh) For filing amended articles of incorporation for a limited syndicate to do business through the Illinois Insurance Exchange, $100.

(ii) For a permit to solicit subscriptions to a syndicate or limited syndicate, $100.

(jj) For the filing of each form as required in Section 143 of this Code, $50 per form. The fee for advisory and rating organizations shall be $200 per form.

(i) For the purposes of the form filing fee, filings made on insert page basis will be considered one form at the time of its original submission. Changes made to a form subsequent to its approval shall be considered a new filing.

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

(iii) (Blank). ~~Fees charged for a policy filed as it will be issued regardless of the number of forms comprising that policy shall not exceed $1,000 or $2,000 for advisory or rating organizations.~~

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

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

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

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

(3) The expenses incurred in any performance examination authorized by law shall be paid by the company or person being examined. The charge shall be reasonably related to the cost of the examination including but not limited to compensation of examiners, electronic data processing costs, supervision and preparation of an examination report and lodging and travel expenses. All lodging and travel expenses shall be in accord with the applicable travel regulations as published by the Department of Central Management Services and approved by the Governor's Travel Control Board, except that out-of-state lodging and travel expenses related to examinations authorized under Section 132 shall be in accordance with travel rates prescribed under paragraph 301-7.2 of the Federal Travel Regulations, 41 C.F.R. 301-7.2, for reimbursement of subsistence expenses incurred during official travel. All lodging and travel expenses may be reimbursed directly upon

authorization of the Director. With the exception of the direct reimbursements authorized by the Director, all performance examination charges collected by the Department shall be paid to the Insurance Producers Administration Fund, however, the electronic data processing costs incurred by the Department in the performance of any examination shall be billed directly to the company being examined for payment to the Statistical Services Revolving Fund.

(4) At the time of any service of process on the Director as attorney for such service, the Director shall charge and collect the sum of $20, which may be recovered as taxable costs by the party to the suit or action causing such service to be made if he prevails in such suit or action.

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

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

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

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

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

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

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

(i) $150, if the premium is less than $500,000 and there is no reinsurance assumed premium;

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

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

(iv) $7,500, if the premium is $5,000,000 or more,

but less than $10,000,000;

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

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

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

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

(b) Admitted assets.

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

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

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

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

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

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

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

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

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

(7) The Director shall charge and collect an annual financial regulation fee from every foreign or alien company, except fraternal benefit societies, for the examination and analysis of its financial condition and to fund the internal costs and expenses of the Interstate Insurance Receivership

Commission as may be allocated to the State of Illinois and companies doing an insurance business in this State pursuant to Article X of the Interstate Insurance Receivership Compact. The fee shall be a fixed amount based upon Illinois direct premium income and nationwide reinsurance assumed premium income in accordance with the following schedule:

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

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

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

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

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

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

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

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

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

(8) Beginning January 1, 1992, the financial regulation fees imposed under subsections (6) and (7) of this Section shall be paid by each company or domestic affiliated group annually. After January 1, 1994, the fee shall be billed by Department invoice based upon the company's premium income or admitted assets as shown in its annual statement for the preceding calendar year. The invoice is due upon receipt and must be paid no later than June 30 of each calendar year. All

financial regulation fees collected by the Department shall be paid to the Insurance Financial Regulation Fund. The Department may not collect financial examiner per diem charges from companies subject to subsections (6) and (7) of this Section undergoing financial examination after June 30, 1992.

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

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

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

In the case of an organization or person not subject to the financial regulation fee, the expenses incurred in any financial examination authorized by law shall be paid by the organization or person being examined. The charge shall be reasonably related to the cost of the examination including,

but not limited to, compensation of examiners and other costs described in this subsection.

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

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

(12) For purposes of this Section:

(a) "Domestic company" means a company as defined in Section 2 of this Code which is incorporated or organized under the laws of this State, and in addition includes a not-for-profit corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act, a health maintenance organization, and a limited health service organization.

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

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

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

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

(f) "Burial society" means a person, firm, corporation, society or association of individuals

authorized by the Director to do business in this State under the provisions of Article XIX of this Code.

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

(Source: P.A. 93-32, eff. 7-1-03.)

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