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Editor

Joint Committee on Administrative Rules
Illinois General Assembly

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Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation, also titled The Flinn Report in memory of founding JCAR member Rep. Monroe Flinn, is designed to inform and involve the public in changes taking place in agency administration.

New Rules

■ INSURANCE

The DEPARTMENT OF INSURANCE adopted amendments to Rules and Rate Filings (50 IAC 754; 38 Ill Reg 16507); effective 5/26/15. The Part 754 amendments will require insurance companies to file documents with DOI electronically using the System for Electronic Rate and Form Filing (SERFF) maintained by the National Association of Insurance Commissioners (NAIC). Existing reporting formats are being repealed. Companies that write workers' compensation, group inland marine and medical malpractice insurance will not be subject to the filing requirements of this Part.

DOI also repealed the Parts titled Standard Health Applications (50 IAC 2030; 39 Ill Reg 1459), Accident and Health Expense

Reporting (50 IAC 2043; 39 Ill Reg 1499) and Legal Reserve Life Blank (50 IAC 2101; 39 Ill Reg 1509), all effective 6/1/15, and adopted a new Part titled Producer Licensing (50 IAC 3121; 39 Ill Reg 1513) effective 5/26/15. Parts 2030, 2043, and 2101 have been repealed because the statutes they implemented (Sections 359b, 359c, and Articles XVI and XXI of the Illinois Insurance Code) have been repealed by Public Acts 98-969 and 86-753. The new Part 3121 clarifies DOI policies and procedures for insurance producers. An "insurance producer" is defined as a person required by Illinois law to hold a license to sell, solicit or negotiate insurance, and a "business entity producer" as an insurance producer who is a corporation, association, partnership, or other legal entity (not an individual). A

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Proposed Rulemakings

■ TEACHERS' RETIREMENT

The TEACHERS' RETIREMENT SYSTEM (TRS) proposed amendments to The Administration and Operation of the Teachers' Retirement System (80 IAC 1650; 39 Ill Reg 8243) to prescribe new procedures for release of a TRS member's record information; new protocols to demonstrate evidence of dependency status; and revised policies regarding procurement of investment services. Written authorization from a member for release of information is now changed to requiring "express" authorization, which in the judgment of TRS, would authorize written, email or oral authorization. Evidence for eligible child dependent status (as a result of physical or mental disability) is being changed from "reliable documentary evidence"

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NEW RULES: Rules adopted by agencies this week. **EMERGENCY RULES:** Adopted for a temporary period not to exceed 150 days.

PROPOSED RULES: Rules proposed by agencies this week, commencing a 45-day First Notice period during which public comments must be accepted.

PEREMPTORY RULES: Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.

■ Designates rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.

QUESTIONS/COMMENTS: Submit mail, email or phone calls to the agency personnel listed below each summary.

RULE TEXT: Available on the Secretary of State (www.cyberdriveillinois.com) and General Assembly (www.ilga.gov) websites under Illinois Register. Second Notice text (original version with changes made by the agency during First Notice included) is available on the JCAR website.

New Rules

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business entity producer must designate an individual as its Designated Responsible Licensed Producer (DRLP) responsible for that entity's compliance with DOI rules and policies and Illinois insurance laws. The DRLP must be an owner, partner, officer or director of that entity and must hold an active resident or non-resident producer license in Illinois. The Part defines a resident as a person living in Illinois more than 51% of a taxable year, for other than a temporary or transitory purpose. First-time individual applicants for insurance producer licensure shall be charged a pro-rated fee for the initial license so that the initial license's expiration date can be set for the applicant's birth month, 18-29 months after the date of issuance (thereafter, the license expires every 2 years). Applicants must allow 5 business days for DOI to receive and distribute licensure and continuing education information, as well as provide an email address. Business entity licenses shall expire on May 31st every 2 years. Since 1st Notice, the definition of "resident" has been changed.

Questions/requests for copies of the 5 DOI rulemakings: Part 754, John Gatlin (217/782-1786); Parts 2030 and 2043, Cindy Colonius (217/782-4572); Part 2101, Amy Stuart (217/782-9694); and Part 3121, Kelly S. Krueger (217/785-2263), DOI, 320 W. Washington St., Springfield IL 62767-0001.

■ MEDICAL STUDENT VISAS

The DEPARTMENT OF PUBLIC HEALTH adopted amendments to Visa Waiver Program for International Medical Graduates (77 IAC 591; 38 Ill Reg 20133), effective 5/27/15, that implement a provision of Public Act 98-1006 allowing DPH to assess a fee on J-1 visa waiver applications. (J-1 visas are non-immigrant visas issued by the U.S. State Department to foreign students or professionals participating in exchange programs. Ordinarily, a J-1 visa recipient must return to his or her country for at least 2 years after graduation or completion of their training; a waiver removes this requirement.) International medical graduates must pay a \$3,000, non-refundable fee to DPH, via check or money order, with a J-1 visa waiver application. Applications not accompanied by the processing fee will be considered incomplete until the fee is received. If the fee payment is not valid due to insufficient funds or other reasons, the application will be null and void and the applicant may be charged for any penalties incurred by the State for processing a bad payment. The rulemaking also updates incorporated and referenced materials and adds a statutory reference. Changes since 1st Notice remove provisions for applicants to contest fee payments and receive recompense through the Illinois Court of Claims. Foreign medical students and Illinois medical schools may be affected.

Questions/requests for copies: Elizabeth Paton, DPH, 535 W. Jefferson St., Springfield IL 62761, 217/782-2043, dph.rules@illinois.gov

■ CHARTER SCHOOLS

The STATE BOARD OF EDUCATION adopted amendments to Charter Schools (23 IAC 650; 39 Ill Reg 2034), effective 5/26/15, implementing two Public Acts. The rulemaking cross-references PA 98-783, which addresses disposition of unspent funds and other assets upon closure of a charter school. Other amendments implement PA 98-1048, which allows material revisions to a charter contract to take effect immediately if agreed to by both parties (formerly, SBE was required to review all charter revisions for compliance with the Charter Schools Law), although one or both parties to a charter contract may request SBE review for statutory compliance. The rulemaking addresses the timing and content of submissions to SBE when review is requested, places rules for certification of contract renewals and certification of revisions in separate Sections, and clarifies that any new charter application approved by the State Charter School Commission must also be certified by SBE before it takes effect. Charter school organizations are affected by this rulemaking.

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Proposed Rulemakings

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to a copy of the member's federal tax return filed for the last year preceding death that discloses that a deceased member provided over 50% of the financial support for an eligible disabled child, and for general dependency status a copy of the member's tax return shall be required (under present rule, a tax return was acceptable means proof of dependency status). For TRS investments functions, six internal oversight Committees are specified (e.g., real estate and private capital oversight committees, etc.) that review Emerging Investment Managers, and grant approvals for semi-finalists and finalists for investment services. Some tasks formerly performed by an oversight committee are now left to TRS staff, such as being invited to interview with staff or

requesting a prospective fund manager to complete the System's due diligence questionnaire. Tactical investment plans are prepared by TRS staff to establish guidance for segments of the System's real return and global fixed income asset classes. Revised protocols for conducting private market real estate separate account searches are prescribed: The TRS Board shall authorize a search for new separate account managers by recorded vote, said vote published on the System website and issued to the financial press no later than two days following the Board meeting. Staff, working with a consultant, shall prepare a Request for Information (RFI) that lists requirements for a manager, such as minimum assets under management; minimum track record; return relative to benchmarks over various time periods; size and

tenure of the manager's professional staff, etc. Following the deadline for submission by potential manager candidates, staff and the TRS consultant shall identify and rank all submissions that meet criteria stated in the RFI. All emerging managers will be identified and the most promising emerging manager candidates will be included in the selection process. Further screening of candidates shall occur and a finalist submitted to the Investment Committee (along with the most qualified emerging manager that meets the minimum criteria in the search process).

Questions/requests for copies/comments through 7/27/15: Cynthia Fain, TRS, 2815 W. Washington, PO Box 19253, Springfield IL 62794-9253, 217/753-0375.

Joint Committee on Administrative Rules

Senator Pamela Althoff

Representative Greg Harris

Senator Bill Brady

Representative Lou Lang

Senator Karen McConnaughay

Representative David Leitch

Senator Don Harmon

Representative Ron Sandack

Senator Tony Muñoz

Representative André Thapedi

Senator Ira Silverstein

Representative Michael Tryon

**Vicki Thomas
Executive Director**

New Rules

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Questions/requests for copies:
Jen Saba, SBE, 100 W. Randolph,
Suite 14-300, Chicago IL 60602,
312/814-2220.

SBE REPEALER

SBE also repealed the Part titled Procurement by the State Board of Education (44 IAC 1105; 39 Ill Reg 2050) effective 5/26/15. SBE states that this Part is obsolete because procurement for SBE is now handled by the Chief Procurement Officer for General Services.

Questions/requests for copies:
Robert Wolfe, SBE, 100 N. First St.,
Springfield IL 62777-0001, 217/
782-0249.

UNIVERSITIES RETIREMENT

The STATE UNIVERSITIES RETIREMENT SYSTEM (SURS) adopted amendments to Universities Retirement (80 IAC 1600; 39 Ill Reg 2557), effective 6/1/15, to place the System in compliance with federal Internal Revenue Code requirements. One Section sets out longstanding, existing federal and SURS policy on benefit limits, phased in language already

approved by the federal; Internal Revenue Service (IRS). The other Section concerns the SURS Self-Managed Plan for SURS members regarding joint investment of State contributions with the more common defined benefit plan offered by SURS. This has been a longstanding practice and has to be codified in rule to be in strict conformity with IRS requirements. No substantive changes in policy are present in this rulemaking.

Questions/requests for copies:
Albert Lee, SURS, 1901 Fox Dr.,
Champaign IL 61820, 217/378-
8861.

Second Notices

The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. These rulemakings will be considered at the Committee's July 14, 2015 meeting. Other items not contained on this list or published in The Flinn Report may also be considered. Further comments concerning these rulemakings should be addressed to JCAR using the contact information on page 1.

OFFICE OF THE ATTORNEY GENERAL

Hospital Financial Assistance under the Fair Patient Billing Act (77 IAC 4500)
proposed 4/17/15 (39 Ill Reg 5536)

ILLINOIS RACING BOARD

Entries and Declarations (11 IAC 1312) proposed 4/10/15 (39 Ill Reg 5347)

DEPT OF INSURANCE

Workers' Compensation Electronic Claims (50 IAC 2908) proposed 8/8/14 (38 Ill Reg 16557)

SECRETARY OF STATE

Secretary of State Standard Procurement (44 IAC 2000) proposed 4/17/15 (39 Ill Reg 5565)