



Rep. Gregory Harris

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1 AMENDMENT TO SENATE BILL 1833

2 AMENDMENT NO. _____. Amend Senate Bill 1833 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Section 121-2.08 as follows:

6 (215 ILCS 5/121-2.08) (from Ch. 73, par. 733-2.08)

7 Sec. 121-2.08. Transactions in this State involving
8 contracts of insurance independently procured directly from an
9 unauthorized insurer by industrial insureds.

10 (a) As used in this Section:

11 "Exempt commercial purchaser" means exempt commercial
12 purchaser as the term is defined in subsection (1) of Section
13 445 of this Code.

14 "Home state" means home state as the term is defined in
15 subsection (1) of Section 445 of this Code.

16 "Industrial insured" means an insured:

1 (i) that procures the insurance of any risk or risks of
2 the kinds specified in Classes 2 and 3 of Section 4 of this
3 Code by use of the services of a full-time employee who is
4 a qualified risk manager or the services of a regularly and
5 continuously retained consultant who is a qualified risk
6 manager;

7 (ii) that procures the insurance directly from an
8 unauthorized insurer without the services of an
9 intermediary insurance producer; and

10 (iii) that is an exempt commercial purchaser whose home
11 state is Illinois.

12 "Insurance producer" means insurance producer as the term
13 is defined in Section 500-10 of this Code.

14 "Qualified risk manager" means qualified risk manager as
15 the term is defined in subsection (1) of Section 445 of this
16 Code.

17 "Safety-Net Hospital" means an Illinois hospital that
18 qualifies as a Safety-Net Hospital under Section 5-5e.1 of the
19 Illinois Public Aid Code.

20 "Unauthorized insurer" means unauthorized insurer as the
21 term is defined in subsection (1) of Section 445 of this Code.

22 (b) For contracts of insurance effective January 1, 2015 or
23 later, within 90 days after the effective date of each contract
24 of insurance issued under this Section, the insured shall file
25 a report with the Director by submitting the report to the
26 Surplus Line Association of Illinois in writing or in a

1 computer readable format and provide information as designated
2 by the Surplus Line Association of Illinois. The information in
3 the report shall be substantially similar to that required for
4 surplus line submissions as described in subsection (5) of
5 Section 445 of this Code. Where applicable, the report shall
6 satisfy, with respect to the subject insurance, the reporting
7 requirement of Section 12 of the Fire Investigation Act.

8 (c) For contracts of insurance effective January 1, 2015 or
9 later, within 30 days after filing the report, the insured
10 shall pay to the Director for the use and benefit of the State
11 a sum equal to the gross premium of the contract of insurance
12 multiplied by the surplus line tax rate, as described in
13 paragraph (3) of subsection (a) of Section 445 of this Code,
14 and shall pay the fire marshal tax that would otherwise be due
15 annually in March for insurance subject to tax under Section 12
16 of the Fire Investigation Act. For contracts of insurance
17 effective January 1, 2015 or later, within 30 days after filing
18 the report, the insured shall pay to the Surplus Line
19 Association of Illinois a countersigning fee that shall be
20 assessed at the same rate charged to members pursuant to
21 subsection (4) of Section 445.1 of this Code.

22 (d) For contracts of insurance effective January 1, 2015 or
23 later, the insured shall withhold the amount of the taxes and
24 countersignature fee from the amount of premium charged by and
25 otherwise payable to the insurer for the insurance. If the
26 insured fails to withhold the tax and countersignature fee from

1 the premium, then the insured shall be liable for the amounts
2 thereof and shall pay the amounts as prescribed in subsection
3 (c) of this Section.

4 (e) Contracts of insurance with an industrial insured that
5 qualifies as a Safety-Net Hospital are not subject to
6 subsections (b) through (d) of this Section.

7 (Source: P.A. 98-978, eff. 1-1-15.)

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