



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB5421

by Rep. Monique D. Davis

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/Art. XLVI heading new  
215 ILCS 5/1700 new  
215 ILCS 5/1705 new  
215 ILCS 5/1710 new  
215 ILCS 5/1715 new  
215 ILCS 5/1720 new  
215 ILCS 5/1725 new

Amends the Illinois Insurance Code to create the Diversity Reporting Article within the Code. Sets forth legislative findings and definitions. Provides that all companies that collect premiums greater than \$1,000,000 shall submit a report to the Director of Insurance concerning its procurement efforts regarding enterprises owned by minorities, women, qualified service-disabled veterans, and persons with disabilities. Provides that an entity that does not enter into contracts to procure goods or services in this State satisfies the reporting requirements by filing a statement with the Director attesting that it does not enter into procurement contracts in Illinois. Sets forth provisions concerning filing, penalties, and reporting updates and public availability.

LRB098 18515 RPM 53652 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Insurance Code is amended by adding  
5 Art. XLVI as follows:

6 (215 ILCS 5/Art. XLVI heading new)

7 ARTICLE XLVI. DIVERSITY REPORTING

8 (215 ILCS 5/1700 new)

9 Sec. 1700. Legislative findings. The General Assembly  
10 finds that enterprises owned by minorities, women, qualified  
11 service-disabled veterans, and persons with disabilities are  
12 under-utilized in the sale of goods and services used in the  
13 insurance industry, and accordingly deems it a prudent business  
14 practice and in the interests of the people of the State of  
15 Illinois to develop and promote economic opportunities for  
16 enterprises owned by minorities, women, qualified  
17 service-disabled veterans, and persons with disabilities in  
18 the insurance industry whenever possible.

19 The General Assembly further declares that it is the public  
20 policy of this State to promote and encourage the continuous  
21 economic development of businesses owned by minorities, women,  
22 qualified service-disabled veterans, and persons with

1 disabilities by providing that each major insurer submit to the  
2 Director of Insurance a report explaining the reporting  
3 entity's supplier diversity statement and expressing its goals  
4 regarding enterprises. The Director shall publish the reports  
5 on the Department of Insurance's Internet website, so that  
6 those reports will help facilitate these supplier  
7 relationships.

8 (215 ILCS 5/1705 new)

9 Sec. 1705. Definitions. In this Article:

10 "Department" means the Department of Insurance.

11 "Director" means the Director of Insurance.

12 "Enterprise" means a minority owned business, a business  
13 owned by a person with a disability, or a female owned  
14 business, as those terms are defined in the Business Enterprise  
15 for Minorities, Females, and Persons with Disabilities Act, or  
16 a business owned by a qualified service-disabled veteran that  
17 has been certified by the Department of Veterans' Affairs and  
18 the Department of Central Management Services pursuant to  
19 Section 45-57 of the Illinois Procurement Code.

20 "Reporting entity" means all companies licensed by the  
21 Department of Insurance.

22 (215 ILCS 5/1710 new)

23 Sec. 1710. Applicability. All companies that collect  
24 premiums greater than \$1,000,000 shall submit a report to the

1 Director concerning its procurement efforts regarding  
2 enterprises owned by minorities, women, qualified  
3 service-disabled veterans, and persons with disabilities  
4 during the reporting period set forth in Sections 1720 and 1725  
5 of this Code.

6 (215 ILCS 5/1715 new)

7 Sec. 1715. Filing.

8 (a) Each reporting entity shall file a report in accordance  
9 with this Article concerning its procurement involving  
10 enterprises owned by minorities, women, qualified  
11 service-disabled veterans, and persons with disabilities.

12 (b) The contents of the report shall include, but not be  
13 limited to, all of the following:

14 (1) The reporting entity's supplier diversity policy  
15 statement.

16 (2) The reporting entity's outreach and communications  
17 to enterprises, including the following:

18 (A) The means by which the reporting entity  
19 encourages and seeks out enterprises to become  
20 potential suppliers.

21 (B) The means by which the reporting entity  
22 encourages its employees involved in procurement to  
23 seek enterprises to become potential suppliers.

24 (C) The means by which the reporting entity  
25 conducts outreach and communication to enterprises.

1           (D) The means by which the reporting entity  
2           supports organizations that promote or certify  
3           enterprises.

4           (E) Information regarding appropriate contacts at  
5           the reporting entity for interested enterprises.

6           (3) Information about which procurements are made from  
7           enterprises with at least a majority of the enterprise's  
8           workforce in Illinois, with each category aggregated  
9           separately, to the extent that information is readily  
10           accessible.

11           A reporting entity may include other relevant information  
12           in the report.

13           (c) A reporting entity that does not enter into contracts  
14           to procure goods or services in this State satisfies the  
15           requirements of this Section by filing a statement with the  
16           Director attesting that it does not enter into procurement  
17           contracts in Illinois.

18           (d) Nothing in this Section shall be construed to require  
19           quotas, set-asides, or preferences in a reporting entity's  
20           procurement of goods or services, nor does this Section apply  
21           to insurer producer or licensee contracts. Reporting entities  
22           retain the authority to use business judgment to select the  
23           supplier for a particular contract.

24           (e) Nothing in this Section shall preclude a reporting  
25           entity that is a member of an insurance holding company system,  
26           as defined in Section 131.1 of this Code, from complying with

1 this Section through a single filing on behalf of the entire  
2 group of affiliated companies.

3 (215 ILCS 5/1720 new)

4 Sec. 1720. Penalties. Failure to file the report required  
5 by Section 1715 of this Code by July 1, 2015 may subject the  
6 reporting entity to a civil penalty to be determined by the  
7 Director, not to exceed \$5,000, or, if the act or practice was  
8 willful, a civil penalty not to exceed \$10,000. A reporting  
9 entity may request, and the Director may grant, a 30-day  
10 extension to file the report if needed due to unintended or  
11 unforeseen delays. The Director may adopt rules as may be  
12 necessary or appropriate for the administration and  
13 enforcement of this Article.

14 (215 ILCS 5/1725 new)

15 Sec. 1725. Updates and public availability.

16 (a) Not later than July 1, 2017, each reporting entity  
17 shall update its report and submit the new report to the  
18 Director once every 2 years.

19 (b) By July 31, 2015, the Director shall establish and  
20 maintain a link on the Department's Internet website that  
21 provides public access to the contents of each reporting  
22 entities' report on enterprise procurement efforts. The  
23 Director shall include a statement on the Department's Internet  
24 website indicating that the information contained in the

1 reporting entities' report on enterprise procurement efforts  
2 is provided for informational purposes only.