

SB3447



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3447

Introduced 2/4/2026, by Sen. Mark L. Walker

SYNOPSIS AS INTRODUCED:

215 ILCS 5/408

from Ch. 73, par. 1020

Amends the Illinois Insurance Code. Makes changes to the annual financial regulation fee charged and collected from every domestic company and foreign or alien company, except fraternal benefit societies. Provides that those financial regulation fees shall not exceed \$500,000 (instead of \$250,000) in the aggregate in any single year. Provides that, beginning on the effective date of the amendatory Act, the Department of Insurance may amend the imposed fees by rule.

LRB104 18376 BAB 31818 b

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
5 changing Section 408 as follows:

6 (215 ILCS 5/408) (from Ch. 73, par. 1020)

7 Sec. 408. Fees and charges.

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

11 (a) For filing all documents submitted for the
12 incorporation or organization or certification of a
13 domestic company, except for a fraternal benefit society,
14 \$2,000.

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

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

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

1 association or a burial society, \$100.

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

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

5 (g) For filing agreement of merger or consolidation:

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

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

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

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

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

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

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

25 (l) For filing annual statement by a domestic company,
26 except a fraternal benefit society, a mutual benefit

1 association, a burial society, or a farm mutual, \$200.

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

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

6 (o) For issuing a certificate of authority or renewal
7 thereof except to a foreign fraternal benefit society,
8 \$400.

9 (p) For issuing a certificate of authority or renewal
10 thereof to a foreign fraternal benefit society, \$200.

11 (q) For issuing an amended certificate of authority,
12 \$50.

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

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

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

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

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

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

3 (i) in connection with a public stock offering,
4 \$300;

5 (ii) in any other case, \$100.

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

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

12 (z) For filing a statement of acquisition of a
13 domestic company as defined in Section 131.4 of this Code,
14 \$2,000.

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

20 (bb) For filing a statement of acquisition of a
21 foreign or alien insurance company as defined in Section
22 131.12a of this Code, \$1,000.

23 (cc) For filing a registration statement as required
24 in Sections 131.13 and 131.14, the notification as
25 required by Sections 131.16, 131.20a, or 141.4, or an
26 agreement or transaction required by Sections 124.2(2),

1 141, 141a, or 141.1, \$200.

2 (dd) For filing an application for licensing of:

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

5 (ii) a workers' compensation service company,
6 \$500;

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

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

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

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

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

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

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

25 (jj) For the filing of each form as required in
26 Section 143 of this Code, \$50 per form. Informational and

1 advertising filings shall be \$25 per filing. The fee for
2 advisory and rating organizations shall be \$200 per form.

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

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

11 (iii) Fees charged for a policy filed as it will be
12 issued regardless of the number of forms comprising
13 that policy shall not exceed \$1,500. For advisory or
14 rating organizations, fees charged for a policy filed
15 as it will be issued regardless of the number of forms
16 comprising that policy shall not exceed \$2,500.

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

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

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

23 (mm) For filing a plan of division of a domestic stock
24 company under Article IIB, \$100,000.

25 (nn) For filing all documents submitted by a foreign
26 or alien company to be a certified reinsurer in this

1 State, except for a fraternal benefit society, \$1,000.

2 (oo) For filing a renewal by a foreign or alien
3 company to be a certified reinsurer in this State, except
4 for a fraternal benefit society, \$400.

5 (pp) For filing all documents submitted by a reinsurer
6 domiciled in a reciprocal jurisdiction, \$1,000.

7 (qq) For filing a renewal by a reinsurer domiciled in
8 a reciprocal jurisdiction, \$400.

9 (rr) For registering a captive management company or
10 renewal thereof, \$50.

11 (ss) For filing an insurance business transfer plan
12 under Article XLVII, \$100,000.

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

20 (3)(a) The expenses incurred in any performance
21 examination authorized by law shall be paid by the company or
22 person being examined. The charge shall be consistent with
23 that otherwise authorized by law and shall be reasonably
24 related to the cost of the examination, including, but not
25 limited to, compensation of examiners, electronic data
26 processing costs, supervision and preparation of an

1 examination report, and lodging and travel expenses. All
2 lodging and travel expenses shall be in accord with the
3 applicable travel regulations as published by the Department
4 of Central Management Services and approved by the Governor's
5 Travel Control Board, except that out-of-state lodging and
6 travel expenses related to examinations authorized under
7 Section 132 shall be in accordance with travel rates
8 prescribed under paragraph 301-7.2 of the Federal Travel
9 Regulations, 41 CFR 301-7.2, for reimbursement of subsistence
10 expenses incurred during official travel. All lodging and
11 travel expenses may be reimbursed directly upon authorization
12 of the Director. With the exception of the direct
13 reimbursements authorized by the Director, all performance
14 examination charges collected by the Department shall be paid
15 to the Insurance Producer Administration Fund, however, the
16 electronic data processing costs incurred by the Department in
17 the performance of any examination shall be billed directly to
18 the company being examined for payment to the Technology
19 Management Revolving Fund.

20 (b) The costs and fees incurred in a market conduct
21 examination shall be itemized and bills shall be provided to
22 the examinee on a monthly basis for review prior to submission
23 for payment. The Director shall review and affirmatively
24 endorse detailed billings from any contracted, qualified
25 outside professional assistance retained under Section 402 for
26 market conduct examinations before the detailed billings are

1 sent to the examinee. Before any qualified outside
2 professional assistance conducts billable work on an
3 examination, the Department shall disclose to the examinee the
4 terms of the contracts with the qualified outside professional
5 assistance that will be used, including the fees and hourly
6 rates that can be charged.

7 (4) At the time of any service of process on the Director
8 as attorney for such service, the Director shall charge and
9 collect the sum of \$40, which may be recovered as taxable costs
10 by the party to the suit or action causing such service to be
11 made if he prevails in such suit or action.

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

21 (b) For purposes of this subsection (5) costs incurred
22 shall mean the hearing officer fees, court reporter fees, and
23 travel expenses of Department of Insurance officers and
24 employees; provided however, that costs incurred shall not
25 include hearing officer fees or court reporter fees unless the
26 Department has retained the services of independent

1 contractors or outside experts to perform such functions.

2 (c) The Director shall make the assessment of costs
3 incurred as part of the final order or decision arising out of
4 the proceeding; provided, however, that such order or decision
5 shall include findings and conclusions in support of the
6 assessment of costs. This subsection (5) shall not be
7 construed as permitting the payment of travel expenses unless
8 calculated in accordance with the applicable travel
9 regulations of the Department of Central Management Services,
10 as approved by the Governor's Travel Control Board. The
11 Director as part of such order or decision shall require all
12 assessments for hearing officer fees and court reporter fees,
13 if any, to be paid directly to the hearing officer or court
14 reporter by the party or parties assessed for such costs. The
15 assessments for travel expenses of Department officers and
16 employees shall be reimbursable to the Director of Insurance
17 for deposit to the fund out of which those expenses had been
18 paid.

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

22 (6) The Director shall charge and collect an annual
23 financial regulation fee from every domestic company for
24 examination and analysis of its financial condition and to
25 fund the internal costs and expenses of the Interstate
26 Insurance Receivership Commission as may be allocated to the

1 State of Illinois and companies doing an insurance business in
2 this State pursuant to Article X of the Interstate Insurance
3 Receivership Compact. The fee shall be the greater fixed
4 amount based upon the combination of nationwide direct premium
5 income and nationwide reinsurance assumed premium income or
6 upon admitted assets calculated under this subsection as
7 follows:

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

10 (i) \$300 ~~\$150~~, if the premium is less than
11 \$500,000 and there is no reinsurance assumed premium;

12 (ii) \$1,500 ~~\$750~~, if the premium is \$500,000 or
13 more, but less than \$5,000,000 and there is no
14 reinsurance assumed premium; or if the premium is less
15 than \$5,000,000 and the reinsurance assumed premium is
16 less than \$10,000,000;

17 (iii) \$7,500 ~~\$3,750~~, if the premium is less than
18 \$5,000,000 and the reinsurance assumed premium is
19 \$10,000,000 or more;

20 (iv) \$15,000 ~~\$7,500~~, if the premium is \$5,000,000
21 or more, but less than \$10,000,000;

22 (v) \$36,000 ~~\$18,000~~, if the premium is \$10,000,000
23 or more, but less than \$25,000,000;

24 (vi) \$45,000 ~~\$22,500~~, if the premium is
25 \$25,000,000 or more, but less than \$50,000,000;

26 (vii) \$60,000 ~~\$30,000~~, if the premium is

1 \$50,000,000 or more, but less than \$100,000,000;

2 (viii) \$75,000 ~~\$37,500~~, if the premium is
3 \$100,000,000 or more.

4 (b) Admitted assets.

5 (i) \$300 ~~\$150~~, if admitted assets are less than
6 \$1,000,000;

7 (ii) \$1,500 ~~\$750~~, if admitted assets are
8 \$1,000,000 or more, but less than \$5,000,000;

9 (iii) \$7,500 ~~\$3,750~~, if admitted assets are
10 \$5,000,000 or more, but less than \$25,000,000;

11 (iv) \$15,000 ~~\$7,500~~, if admitted assets are
12 \$25,000,000 or more, but less than \$50,000,000;

13 (v) \$36,000 ~~\$18,000~~, if admitted assets are
14 \$50,000,000 or more, but less than \$100,000,000;

15 (vi) \$45,000 ~~\$22,500~~, if admitted assets are
16 \$100,000,000 or more, but less than \$500,000,000;

17 (vii) \$60,000 ~~\$30,000~~, if admitted assets are
18 \$500,000,000 or more, but less than \$1,000,000,000;

19 (viii) \$75,000 ~~\$37,500~~, if admitted assets are
20 \$1,000,000,000 or more.

21 (c) The sum of financial regulation fees charged to
22 the domestic companies of the same affiliated group shall
23 not exceed \$500,000 ~~\$250,000~~ in the aggregate in any
24 single year and shall be billed by the Director to the
25 member company designated by the group.

26 (7) The Director shall charge and collect an annual

1 financial regulation fee from every foreign or alien company,
2 except fraternal benefit societies, for the examination and
3 analysis of its financial condition and to fund the internal
4 costs and expenses of the Interstate Insurance Receivership
5 Commission as may be allocated to the State of Illinois and
6 companies doing an insurance business in this State pursuant
7 to Article X of the Interstate Insurance Receivership Compact.
8 The fee shall be a fixed amount based upon Illinois direct
9 premium income and nationwide reinsurance assumed premium
10 income in accordance with the following schedule:

11 (a) \$300 ~~\$150~~, if the premium is less than \$500,000
12 and there is no reinsurance assumed premium;

13 (b) \$1,500 ~~\$750~~, if the premium is \$500,000 or more,
14 but less than \$5,000,000 and there is no reinsurance
15 assumed premium; or if the premium is less than \$5,000,000
16 and the reinsurance assumed premium is less than
17 \$10,000,000;

18 (c) \$7,500 ~~\$3,750~~, if the premium is less than
19 \$5,000,000 and the reinsurance assumed premium is
20 \$10,000,000 or more;

21 (d) \$15,000 ~~\$7,500~~, if the premium is \$5,000,000 or
22 more, but less than \$10,000,000;

23 (e) \$36,000 ~~\$18,000~~, if the premium is \$10,000,000 or
24 more, but less than \$25,000,000;

25 (f) \$45,000 ~~\$22,500~~, if the premium is \$25,000,000 or
26 more, but less than \$50,000,000;

1 (g) \$60,000 ~~\$30,000~~, if the premium is \$50,000,000 or
2 more, but less than \$100,000,000;

3 (h) \$75,000 ~~\$37,500~~, if the premium is \$100,000,000 or
4 more.

5 The sum of financial regulation fees under this subsection
6 (7) charged to the foreign or alien companies within the same
7 affiliated group shall not exceed \$500,000 ~~\$250,000~~ in the
8 aggregate in any single year and shall be billed by the
9 Director to the member company designated by the group.

10 (8) Beginning January 1, 1992, the financial regulation
11 fees imposed under subsections (6) and (7) of this Section
12 shall be paid by each company or domestic affiliated group
13 annually. After January 1, 1994, the fee shall be billed by
14 Department invoice based upon the company's premium income or
15 admitted assets as shown in its annual statement for the
16 preceding calendar year. The invoice is due upon receipt and
17 must be paid no later than June 30 of each calendar year. All
18 financial regulation fees collected by the Department shall be
19 paid to the Insurance Financial Regulation Fund. The
20 Department may not collect financial examiner per diem charges
21 from companies subject to subsections (6) and (7) of this
22 Section undergoing financial examination after June 30, 1992.
23 Beginning on the effective date of this amendatory Act of the
24 104th General Assembly, the Department may amend the fees
25 imposed under subsections (6) and (7) by rule.

26 (9) In addition to the financial regulation fee required

1 by this Section, a company undergoing any financial
2 examination authorized by law shall pay the following costs
3 and expenses incurred by the Department: electronic data
4 processing costs, the expenses authorized under Section 131.21
5 and subsection (d) of Section 132.4 of this Code, and lodging
6 and travel expenses.

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

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

1 In the case of an organization or person not subject to the
2 financial regulation fee, the expenses incurred in any
3 financial examination authorized by law shall be paid by the
4 organization or person being examined. The charge shall be
5 reasonably related to the cost of the examination including,
6 but not limited to, compensation of examiners and other costs
7 described in this subsection.

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

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

15 (12) For purposes of this Section:

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

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

1 organization and a limited health service organization
2 which is incorporated or organized under the laws of any
3 state of the United States other than this State.

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

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

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

15 (f) "Burial society" means a person, firm,
16 corporation, society or association of individuals
17 authorized by the Director to do business in this State
18 under the provisions of Article XIX of this Code.

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

23 (Source: P.A. 103-75, eff. 1-1-25; 103-718, eff. 7-19-24;
24 103-897, eff. 1-1-25; 104-417, eff. 8-15-25.)