



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2739

Introduced 1/29/2020, by Sen. Napoleon Harris, III

SYNOPSIS AS INTRODUCED:

215 ILCS 5/537.9	from Ch. 73, par. 1065.87-9
215 ILCS 5/538	from Ch. 73, par. 1065.88
215 ILCS 5/538.2	from Ch. 73, par. 1065.88-2
215 ILCS 5/538.10 new	

Amends the Illinois Insurance Code. Authorizes the Illinois Insurance Guaranty Fund, at the direction of its board of directors and subject to the approval of the Director of Insurance, to form and own a not-for-profit corporation to which the Fund may delegate certain of its powers and duties provided by the Code. Allows the not-for-profit corporation to contract to provide services to the Office of Special Deputy Receiver or any other person or organization authorized by law to carry out the duties of the Director in the capacity of receiver under specified provisions of the Code, the Illinois Life and Health Insurance Guaranty Association, and organizations in another state similar to the Illinois Insurance Guaranty Fund or the Illinois Life and Health Insurance Guaranty Association. Effective immediately.

LRB101 15700 BMS 65055 b

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 Sections 537.9, 538, and 538.2 and by adding Section
6 538.10 as follows:

7 (215 ILCS 5/537.9) (from Ch. 73, par. 1065.87-9)

8 Sec. 537.9. The Fund shall handle claims through its
9 employees or through one or more companies or other persons
10 employed as servicing facilities including a corporation
11 formed pursuant to Section 538.10 of this Code.

12 (Source: P.A. 85-576.)

13 (215 ILCS 5/538) (from Ch. 73, par. 1065.88)

14 Sec. 538. Powers of the Fund.

15 The Fund shall have the powers enumerated in the Sections
16 following this Section and preceding Section 539 ~~538.1~~ through
17 ~~538.8.~~

18 (Source: P.A. 77-305.)

19 (215 ILCS 5/538.2) (from Ch. 73, par. 1065.88-2)

20 Sec. 538.2. The Fund may employ or retain such persons as
21 are necessary to handle claims and perform other duties of the

1 Fund or may delegate such functions to a corporation formed
2 pursuant to Section 538.10 of this Code.

3 (Source: P.A. 77-305.)

4 (215 ILCS 5/538.10 new)

5 Sec. 538.10. Delegation of powers to not-for-profit
6 corporation. The Fund may, at the direction of its board of
7 directors and subject to the approval of the Director, form and
8 own a not-for-profit corporation domiciled in this State to
9 which the Fund may delegate in its plan of operation any or all
10 powers and duties of the Fund, except those provided by
11 Sections 537.6 and 538.3 of this Code. The not-for-profit
12 corporation may contract to provide services to any or all of
13 the following types of organizations: (a) the Office of Special
14 Deputy Receiver or any other person or organization authorized
15 by law to carry out the duties of the Director in the capacity
16 as a receiver under Article XIII of this Code; (b) the Illinois
17 Life and Health Insurance Guaranty Association; and (c)
18 organizations in another state similar to the Fund or the
19 Illinois Life and Health Insurance Guaranty Association. The
20 not-for-profit corporation is authorized to contract pursuant
21 to this Section upon the board of directors' written
22 determination that the provisioning of such services will
23 advance the purposes set forth in Section 532 of this Code,
24 provided that any such contract with a similar organization
25 described in item (c) of this Section shall be subject to the

1 prior approval of the Director.

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