



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5450

Introduced 1/31/2022, by Rep. Michael Halpin

SYNOPSIS AS INTRODUCED:

New Act
215 ILCS 5/500-35
215 ILCS 5/1565
225 ILCS 454/5-70

Creates the Improving Access to Flood Insurance Act. Provides that each insurance producer, public adjuster, managing broker, broker, and employee of a lender shall participate in at least 3 hours of National Flood Insurance Program training. Provides that the insurance producer, public adjuster, managing broker, broker, or lender shall submit evidence of satisfaction of the requirement to the entity that regulates that profession. Requires the Department of Insurance to: provide a list of pre-approved courses available through the Federal Emergency Management Agency's Emergency Management Institute and other educational institutions the Department determines provide information and training equivalent to the Federal Emergency Management Agency's Emergency Management Institute; and to provide instructions for an insurance producer, public adjuster, managing broker, broker, lender, or employee of a lender to apply and secure credit for course work that meets equivalent educational goals but that is not included on the pre-approved list. Provides that a violation of the Act shall be considered a violation any other law under which the insurance producer, public adjuster, managing broker, broker, or lender is licensed, chartered, or organized. Makes conforming changes in the Illinois Insurance Code and the Real Estate License Act of 2000.

LRB102 24154 BMS 33380 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 1. Short title. This Act may be cited as the
5 Improving Access to Flood Insurance Act.

6 Section 5. Definitions. As used in this Act:

7 "Broker" has the meaning given to that term in the Real
8 Estate License Act of 2000.

9 "Lender" means a bank, a savings bank, or a credit union
10 chartered or organized under the laws of the State of Illinois
11 that engages in real estate lending.

12 "Managing broker" has the meaning given to that term in
13 the Real Estate License Act of 2000.

14 "National Flood Insurance Program training" means any
15 class or continuing education opportunity where the main
16 topics include:

17 (1) the National Flood Insurance Program;

18 (2) elements of the National Flood Insurance Program;

19 or

20 (3) flood insurance premium reduction strategies, such
21 as floodplain management, flood risk reduction, or flood
22 hazard mitigation.

1 Section 10. National Flood Insurance Program training
2 requirement. In addition to any other continuing education
3 requirements that may apply for that profession, each
4 insurance producer, public adjuster, managing broker, broker,
5 and employee of a lender shall participate in at least 3 hours
6 of National Flood Insurance Program training. The insurance
7 producer, public adjuster, managing broker, broker, or lender
8 shall submit evidence of satisfaction of the requirements of
9 this Section to the entity that regulates that profession. The
10 Department of Insurance shall provide a list of pre-approved
11 courses available through the Federal Emergency Management
12 Agency's Emergency Management Institute and other educational
13 institutions the Department determines provide information and
14 training equivalent to the Federal Emergency Management
15 Agency's Emergency Management Institute. The Department of
16 Insurance shall also provide instructions for an insurance
17 producer, public adjuster, managing broker, broker, lender, or
18 employee of a lender to apply and secure credit for course work
19 that meets equivalent educational goals but that is not
20 included on the pre-approved list.

21 Section 15. Violation of the Act. A violation of this Act
22 shall be considered a violation any other law under which the
23 insurance producer, public adjuster, managing broker, broker,
24 or lender is licensed, chartered, or organized.

1 Section 105. The Illinois Insurance Code is amended by
2 changing Sections 500-35 and 1565 as follows:

3 (215 ILCS 5/500-35)

4 (Section scheduled to be repealed on January 1, 2027)

5 Sec. 500-35. License.

6 (a) Unless denied a license pursuant to Section 500-70,
7 persons who have met the requirements of Sections 500-25 and
8 500-30 shall be issued a 2-year insurance producer license. An
9 insurance producer may receive qualification for a license in
10 one or more of the following lines of authority:

11 (1) Life: insurance coverage on human lives including
12 benefits of endowment and annuities, and may include
13 benefits in the event of death or dismemberment by
14 accident and benefits for disability income.

15 (2) Variable life and variable annuity products:
16 insurance coverage provided under variable life insurance
17 contracts and variable annuities.

18 (3) Accident and health or sickness: insurance
19 coverage for sickness, bodily injury, or accidental death
20 and may include benefits for disability income.

21 (4) Property: insurance coverage for the direct or
22 consequential loss or damage to property of every kind.

23 (5) Casualty: insurance coverage against legal
24 liability, including that for death, injury, or disability
25 or damage to real or personal property.

1 (6) Personal lines: property and casualty insurance
2 coverage sold to individuals and families for primarily
3 noncommercial purposes.

4 (7) Any other line of insurance permitted under State
5 laws or rules.

6 (b) An insurance producer license shall remain in effect
7 unless revoked or suspended as long as the fee set forth in
8 Section 500-135 is paid and education requirements for
9 resident individual producers are met by the due date.

10 (1) Before each license renewal, an insurance producer
11 must satisfactorily complete at least 24 hours of course
12 study in accordance with rules prescribed by the Director.
13 Three of the 24 hours of course study must consist of
14 classroom or webinar ethics instruction. The Director may
15 not approve a course of study unless the course provides
16 for classroom, seminar, webinar, or self-study instruction
17 methods. A course given in a combination instruction
18 method of classroom, seminar, webinar, or self-study shall
19 be deemed to be a self-study course unless the classroom,
20 seminar, or webinar certified hours meets or exceeds
21 two-thirds of total hours certified for the course. The
22 self-study material used in the combination course must be
23 directly related to and complement the classroom portion
24 of the course in order to be considered for credit. An
25 instruction method other than classroom or seminar shall
26 be considered as self-study methodology. Self-study credit

1 hours require the successful completion of an examination
2 covering the self-study material. The examination may not
3 be self-evaluated. However, if the self-study material is
4 completed through the use of an approved computerized
5 interactive format whereby the computer validates the
6 successful completion of the self-study material, no
7 additional examination is required. The self-study credit
8 hours contained in a certified course shall be considered
9 classroom hours when at least two-thirds of the hours are
10 given as classroom or seminar instruction. In addition to
11 any other requirements under this Section, an insurance
12 producer shall comply with the Improving Access to Flood
13 Insurance Act.

14 (2) An insurance producer license automatically
15 terminates when an insurance producer fails to
16 successfully meet the requirements of item (1) of
17 subsection (b) of this Section. The producer must complete
18 the course in advance of the renewal date to allow the
19 education provider time to report the credit to the
20 Department.

21 (c) A provider of a pre-licensing or continuing education
22 course required by Section 500-30 and this Section must pay a
23 registration fee and a course certification fee for each
24 course being certified as provided by Section 500-135.

25 (d) An individual insurance producer who allows his or her
26 license to lapse may, within 12 months after the due date of

1 the renewal fee, be issued a license without the necessity of
2 passing a written examination. However, a penalty in the
3 amount of double the unpaid renewal fee shall be required
4 after the due date.

5 (e) A licensed insurance producer who is unable to comply
6 with license renewal procedures due to military service may
7 request a waiver of those procedures.

8 (f) The license must contain the licensee's name, address,
9 and personal identification number, the date of issuance, the
10 lines of authority, the expiration date, and any other
11 information the Director deems necessary.

12 (g) Licensees must inform the Director by any means
13 acceptable to the Director of a change of address within 30
14 days after the change.

15 (h) In order to assist in the performance of the
16 Director's duties, the Director may contract with a
17 non-governmental entity including the National Association of
18 Insurance Commissioners (NAIC), or any affiliates or
19 subsidiaries that the NAIC oversees, to perform any
20 ministerial functions, including collection of fees, related
21 to producer licensing that the Director and the
22 non-governmental entity may deem appropriate.

23 (Source: P.A. 100-876, eff. 8-14-18.)

24 (215 ILCS 5/1565)

25 Sec. 1565. Continuing education.

1 (a) An individual who holds a public adjuster license and
2 who is not exempt under subsection (b) of this Section shall
3 satisfactorily complete a minimum of 24 hours of continuing
4 education courses, including 3 hours of classroom or webinar
5 ethics instruction, reported on a biennial basis in
6 conjunction with the license renewal cycle.

7 The Director may not approve a course of study unless the
8 course provides for classroom, seminar, or self-study
9 instruction methods. A course given in a combination
10 instruction method of classroom or seminar and self-study
11 shall be deemed to be a self-study course unless the classroom
12 or seminar certified hours meets or exceeds two-thirds of the
13 total hours certified for the course. The self-study material
14 used in the combination course must be directly related to and
15 complement the classroom portion of the course in order to be
16 considered for credit. An instruction method other than
17 classroom or seminar shall be considered as self-study
18 methodology. Self-study credit hours require the successful
19 completion of an examination covering the self-study material.
20 The examination may not be self-evaluated. However, if the
21 self-study material is completed through the use of an
22 approved computerized interactive format whereby the computer
23 validates the successful completion of the self-study
24 material, no additional examination is required. The
25 self-study credit hours contained in a certified course shall
26 be considered classroom hours when at least two-thirds of the

1 hours are given as classroom or seminar instruction.

2 The public adjuster must complete the course in advance of
3 the renewal date to allow the education provider time to
4 report the credit to the Department.

5 (b) This Section shall not apply to:

6 (1) licensees not licensed for one full year prior to
7 the end of the applicable continuing education biennium;
8 or

9 (2) licensees holding nonresident public adjuster
10 licenses who have met the continuing education
11 requirements of their home state and whose home state
12 gives credit to residents of this State on the same basis.

13 (c) Only continuing education courses approved by the
14 Director shall be used to satisfy the continuing education
15 requirement of subsection (a) of this Section.

16 (d) In addition to any other requirements under this
17 Section, a public adjuster shall comply with the Improving
18 Access to Flood Insurance Act.

19 (Source: P.A. 102-135, eff. 7-23-21.)

20 Section 110. The Real Estate License Act of 2000 is
21 amended by changing Section 5-70 as follows:

22 (225 ILCS 454/5-70)

23 (Section scheduled to be repealed on January 1, 2030)

24 Sec. 5-70. Continuing education requirement; managing

1 broker or broker.

2 (a) The requirements of this Section apply to all managing
3 brokers and brokers.

4 (b) Except as otherwise provided in this Section, each
5 person who applies for renewal of his or her license as a
6 managing broker or broker must successfully complete 12 hours
7 of real estate continuing education courses recommended by the
8 Board and approved by the Department during the current term
9 of the license. In addition, those licensees renewing or
10 obtaining a managing broker's license must successfully
11 complete a 12-hour broker management continuing education
12 course approved by the Department during the current term of
13 the license. The broker management continuing education course
14 must be completed in the classroom or through a live,
15 interactive webinar or online distance education format. No
16 license may be renewed except upon the successful completion
17 of the required courses or their equivalent or upon a waiver of
18 those requirements for good cause shown as determined by the
19 Secretary upon the recommendation of the Board. The
20 requirements of this Article are applicable to all managing
21 brokers and brokers except those managing brokers and brokers
22 who, during the renewal period:

23 (1) serve in the armed services of the United States;

24 (2) serve as an elected State or federal official;

25 (3) serve as a full-time employee of the Department;

26 or

1 (4) are admitted to practice law pursuant to Illinois
2 Supreme Court rule.

3 (c) (Blank).

4 (d) A person receiving an initial license during the 90
5 days before the renewal date shall not be required to complete
6 the continuing education courses provided for in subsection
7 (b) of this Section as a condition of initial license renewal.

8 (e) The continuing education requirement for brokers and
9 managing brokers shall consist of a single core curriculum and
10 an elective curriculum, to be recommended by the Board and
11 approved by the Department in accordance with this subsection.
12 The core curriculum shall not be further divided into
13 subcategories or divisions of instruction. The core curriculum
14 shall consist of 4 hours during the current term of the license
15 on subjects that may include, but are not limited to,
16 advertising, agency, disclosures, escrow, fair housing,
17 residential leasing agent management, and license law. The
18 amount of time allotted to each of these subjects shall be
19 recommended by the Board and determined by the Department. The
20 Department, upon the recommendation of the Board, shall review
21 the core curriculum every 4 years, at a minimum, and shall
22 revise the curriculum if necessary. However, the core
23 curriculum's total hourly requirement shall only be subject to
24 change by amendment of this subsection, and any change to the
25 core curriculum shall not be effective for a period of 6 months
26 after such change is made by the Department. The Department

1 shall provide notice to all approved education providers of
2 any changes to the core curriculum. When determining whether
3 revisions of the core curriculum's subjects or specific time
4 requirements are necessary, the Board shall consider recent
5 changes in applicable laws, new laws, and areas of the license
6 law and the Department policy that the Board deems
7 appropriate, and any other subject areas the Board deems
8 timely and applicable in order to prevent violations of this
9 Act and to protect the public. In establishing a
10 recommendation to the Department regarding the elective
11 curriculum, the Board shall consider subjects that cover the
12 various aspects of the practice of real estate that are
13 covered under the scope of this Act.

14 (f) The subject areas of continuing education courses
15 recommended by the Board and approved by the Department shall
16 be meant to protect the professionalism of the industry, the
17 consumer, and the public and prevent violations of this Act
18 and may include without limitation the following:

- 19 (1) license law and escrow;
- 20 (2) antitrust;
- 21 (3) fair housing;
- 22 (4) agency;
- 23 (5) appraisal;
- 24 (6) property management;
- 25 (7) residential brokerage;
- 26 (8) farm property management;

1 (9) transaction management rights and duties of
2 parties in a transaction;

3 (10) commercial brokerage and leasing;

4 (11) real estate financing;

5 (12) disclosures;

6 (13) residential leasing agent management;

7 (14) advertising;

8 (15) broker supervision and managing broker
9 responsibility;

10 (16) professional conduct; and

11 (17) use of technology.

12 (g) In lieu of credit for those courses listed in
13 subsection (f) of this Section, credit may be earned for
14 serving as a licensed instructor in an approved course of
15 continuing education. The amount of credit earned for teaching
16 a course shall be the amount of continuing education credit
17 for which the course is approved for licensees taking the
18 course.

19 (h) Credit hours may be earned for self-study programs
20 approved by the Department.

21 (i) A managing broker or broker may earn credit for a
22 specific continuing education course only once during the
23 current term of the license.

24 (j) No more than 12 hours of continuing education credit
25 may be taken in one calendar day.

26 (k) To promote the offering of a uniform and consistent

1 course content, the Department may provide for the development
2 of a single broker management course to be offered by all
3 education providers who choose to offer the broker management
4 continuing education course. The Department may contract for
5 the development of the 12-hour broker management continuing
6 education course with an outside vendor or consultant and, if
7 the course is developed in this manner, the Department or the
8 outside consultant shall license the use of that course to all
9 approved education providers who wish to provide the course.

10 (l) Except as specifically provided in this Act,
11 continuing education credit hours may not be earned for
12 completion of pre-license or post-license courses. The courses
13 comprising the approved 45-hour post-license curriculum for
14 broker licensees shall satisfy the continuing education
15 requirement for the period in which the courses are taken. The
16 approved 45-hour brokerage administration and management
17 course shall satisfy the 12-hour broker management continuing
18 education requirement for the license term in which the course
19 is taken.

20 (m) In addition to any other requirements of this Section,
21 a managing broker or broker shall comply with the Improving
22 Access to Flood Insurance Act.

23 (Source: P.A. 100-188, eff. 1-1-18; 101-357, eff. 8-9-19.)