



Sen. William R. Haine

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LRB095 05627 RPM 51144 a

1 AMENDMENT TO SENATE BILL 872

2 AMENDMENT NO. _____. Amend Senate Bill 872 by replacing
3 everything after the enacting clause with the following:

4 "Section 25. The Illinois Insurance Code is amended by
5 changing Section 136 and by adding Section 356z.11 as follows:

6 (215 ILCS 5/136) (from Ch. 73, par. 748)

7 Sec. 136. Annual statement.

8 (1) Every company authorized to do business in this State
9 or accredited by this State shall file with the Director by
10 March 1st in each year 2 copies of its financial statement for
11 the year ending December 31st immediately preceding on forms
12 prescribed by the Director, which shall conform substantially
13 to the form of statement adopted by the National Association of
14 Insurance Commissioners. Unless the Director provides
15 otherwise, the annual statement is to be prepared in accordance
16 with the annual statement instructions and the Accounting

1 Practices and Procedures Manual adopted by the National
2 Association of Insurance Commissioners. The Director shall
3 have power to make such modifications and additions in this
4 form as he may deem desirable or necessary to ascertain the
5 condition and affairs of the company. The Director shall have
6 authority to extend the time for filing any statement by any
7 company for reasons which he considers good and sufficient. In
8 every statement the admitted assets shall be shown at the
9 actual values as of the last day of the preceding year, in
10 accordance with Section 126.7. The statement shall be verified
11 by oaths of the president and secretary of the company or, in
12 their absence, by 2 other principal officers. In addition, any
13 company may be required by the Director, when he considers that
14 action to be necessary and appropriate for the protection of
15 policyholders, creditors, shareholders, or claimants, to file,
16 within 60 days after mailing to the company a notice that such
17 is required, a supplemental summary statement as of the last
18 day of any calendar month occurring during the 100 days next
19 preceding the mailing of such notice designated by him on forms
20 prescribed and furnished by the Director. The Director may
21 require supplemental summary statements to be certified by an
22 independent actuary deemed competent by the Director or by an
23 independent certified public accountant.

24 (2) The statement of an alien company shall embrace only
25 its condition and transactions in the United States and shall
26 be verified by the oaths of its resident manager or principal

1 representative in the United States, except that in the case of
2 any life company organized under the laws of Canada or any
3 province thereof, the statement may be verified by the oaths of
4 any of its principal officers designated for that purpose by
5 its board of directors.

6 (3) For the information of the public generally the
7 Director shall cause an abstract of the information contained
8 in the annual statement to be made available to the public as
9 soon as practicable after filing with the Department, by
10 printing those abstracts in pamphlet tabular form for free
11 general distribution by the Department, or by such other
12 publication in the city of Springfield or in the city of
13 Chicago as may be reasonably necessary more fully to inform the
14 public of the financial condition of companies transacting
15 business in this State.

16 (4) Each domestic, foreign, and alien insurer authorized to
17 do business in this State or accredited by this State shall
18 participate in the National Association of Insurance
19 Commissioners' Insurance Regulatory Information System,
20 including the payment of all fees and charges of the system.
21 Each company shall, on or before March 1 of each year, file
22 with the National Association of Insurance Commissioners a copy
23 of its annual financial statement along with any additional
24 filings prescribed by the Director for the preceding year. The
25 statement filed with the National Association of Insurance
26 Commissioners shall be in the same format and scope as that

1 required by this Code and shall include a signed jurat page and
2 actuarial certification. Any amendments and addendums to the
3 annual statement shall also be filed with the National
4 Association of Insurance Commissioners. Each company shall
5 also file with the National Association of Insurance
6 Commissioners annual and quarterly financial statement
7 information in computer readable format as required by the
8 Insurance Regulatory Information System. Failure of a company
9 to file financial statement information in computer readable
10 format shall subject the company to the provisions of Section
11 139.

12 (5) All financial analysis ratios and examination synopsis
13 concerning insurance companies that are submitted to the
14 Director by the National Association of Insurance
15 Commissioners' Insurance Regulatory Information System are
16 confidential and may not be disclosed by the Director.

17 (6) Every property and casualty insurance company doing
18 business in this State, unless otherwise exempted by the
19 Director, shall annually submit the opinion of an appointed
20 actuary entitled "Statement of Actuarial Opinion". This
21 opinion shall be filed in accordance with the appropriate
22 National Association of Insurance Commissioners Property and
23 Casualty Annual Statement Instructions.

24 (a) Every property and casualty insurance company
25 domiciled in this State that is required to submit a
26 Statement of Actuarial Opinion shall annually submit an

1 Actuarial Opinion Summary, written by the company's
2 appointed actuary. This Actuarial Opinion Summary shall be
3 filed in accordance with the appropriate National
4 Association of Insurance Commissioners Property and
5 Casualty Annual Statement Instructions and shall be
6 considered as a document supporting the Actuarial Opinion
7 required in this subsection (6). Each foreign and alien
8 property and casualty company authorized to do business in
9 this State shall provide the Actuarial Opinion Summary upon
10 request.

11 (b) An Actuarial Report and underlying workpapers as
12 required by the appropriate National Association of
13 Insurance Commissioners Property and Casualty Annual
14 Statement Instructions shall be prepared to support each
15 Actuarial Opinion. If the insurance company fails to
16 provide a supporting Actuarial Report or workpapers or both
17 at the request of the Director of the Division of Insurance
18 or the Director determines that the supporting Actuarial
19 Report or workpapers provided by the insurance company is
20 otherwise unacceptable to the Director, the Director may
21 engage a qualified actuary at the expense of the company to
22 review the opinion and the basis for the opinion and
23 prepare the supporting Actuarial Report or workpapers.

24 (c) The appointed actuary shall not be liable for
25 damages to any person (other than the insurance company and
26 the Director) for any act, error, omission, decision, or

1 conduct with respect to the actuary's opinion, except in
2 cases of fraud or willful misconduct on the part of the
3 appointed actuary.

4 (d) The Statement of Actuarial Opinion shall be
5 provided with the Annual Statement in accordance with the
6 appropriate National Association of Insurance
7 Commissioners Property and Casualty Annual Statement
8 Instructions and shall be treated as a public document.
9 Documents, materials, or other information in the
10 possession or control of the Director that are considered
11 an Actuarial Report, workpapers, or Actuarial Opinion
12 Summary provided in support of the opinion, and any other
13 material provided by the company to the Director in
14 connection with the Actuarial Report, workpapers, or
15 Actuarial Opinion Summary, must be given confidential
16 treatment, are not subject to subpoena, and may not be made
17 public by the Director or any other persons. This paragraph
18 (d) shall not be construed to limit the Director's
19 authority to release the documents to the Actuarial Board
20 for Counseling and Discipline (ABCD), so long as the
21 material is required for the purpose of professional
22 disciplinary proceedings and that the ABCD establishes
23 procedures satisfactory to the Director for preserving the
24 confidentiality of the documents, nor shall this paragraph
25 (d) be construed to limit the Director's authority to use
26 the documents, materials or other information in

1 furtherance of any regulatory or legal action brought as
2 part of the Director's official duties. Neither the
3 Director nor any person who received documents, materials,
4 or other information while acting under the authority of
5 the Director shall be permitted or required to testify in
6 any private civil action concerning any confidential
7 documents, materials, or information subject to this
8 subsection (6). Except where another provision of this Code
9 expressly prohibits a disclosure of confidential
10 information to the specific officials or organizations
11 described in this subsection, the Director may:

12 (i) share documents, materials, or other
13 information, including the confidential and privileged
14 documents, materials, or information subject to this
15 paragraph (d) with the insurance department of any
16 other state or country or with law enforcement
17 officials of this or any other state or agency of the
18 federal government at any time, as long as the agency
19 or office receiving the document, material, or other
20 information agrees in writing to hold it confidential
21 and in a manner consistent with this Code;

22 (ii) receive documents, materials, or information,
23 including otherwise confidential and privileged
24 documents, materials, or information, from the
25 National Association of Insurance Commissioners and
26 its affiliates and subsidiaries, and from regulatory

1 and law enforcement officials of other foreign or
2 domestic jurisdictions, and shall maintain as
3 confidential or privileged any document, material, or
4 information received with notice or the understanding
5 that it is confidential or privileged under the laws of
6 the jurisdiction that is the source of the document,
7 material, or information; and

8 (iii) enter into agreements governing sharing and
9 use of information consistent with paragraph (d).

10 (e) No waiver of any applicable privilege or claim of
11 confidentiality in the documents, materials or information
12 shall occur as a result of disclosure to the Director under
13 this Section or as a result of sharing as authorized in
14 subparagraphs (i), (ii), and (iii) of paragraph (d) of
15 subsection (6) of this Section.

16 All 2008 Annual Statements, which are filed in 2009,
17 and all subsequent Annual Statement filings shall be done
18 in accordance with subsection (6) of this Section.

19 (Source: P.A. 90-418, eff. 8-15-97.)".