

HB3705



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3705

by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

215 ILCS 5/500-35
215 ILCS 5/1565

Amends the Illinois Insurance Code. With regard to insurance producers' license renewal requirements and public adjusters' continuing education requirements for licensure, provides that 3 of the required 24 hours of course study or continuing education must consist of ethics instruction (rather than classroom ethics instruction). Makes conforming changes.

LRB098 14383 RPM 49041 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
5 changing Sections 500-35 and 1565 as follows:

6 (215 ILCS 5/500-35)

7 (Section scheduled to be repealed on January 1, 2017)

8 Sec. 500-35. License.

9 (a) Unless denied a license pursuant to Section 500-70,
10 persons who have met the requirements of Sections 500-25 and
11 500-30 shall be issued a 2-year insurance producer license. An
12 insurance producer may receive qualification for a license in
13 one or more of the following lines of authority:

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

18 (2) Variable life and variable annuity products:
19 insurance coverage provided under variable life insurance
20 contracts and variable annuities.

21 (3) Accident and health or sickness: insurance
22 coverage for sickness, bodily injury, or accidental death
23 and may include benefits for disability income.

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

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

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

9 (7) Any other line of insurance permitted under State
10 laws or rules.

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

15 (1) Before each license renewal, an insurance producer
16 must satisfactorily complete at least 24 hours of course
17 study in accordance with rules prescribed by the Director.
18 Three of the 24 hours of course study must consist of
19 ~~classroom~~ ethics instruction. The Director may not approve
20 a course of study unless the course provides for classroom,
21 seminar, webinar, or self-study instruction methods. A
22 course given in a combination instruction method of
23 classroom, seminar, webinar, or self-study shall be deemed
24 to be a self-study course ~~unless the classroom, seminar, or~~
25 ~~webinar certified hours meets or exceeds two thirds of~~
26 ~~total hours certified for the course. The self study~~

1 ~~material used in the combination course must be directly~~
2 ~~related to and complement the classroom portion of the~~
3 ~~course in order to be considered for credit.~~ An instruction
4 method other than classroom or seminar shall be considered
5 as self-study methodology. Self-study credit hours require
6 the successful completion of an examination covering the
7 self-study material. The examination may not be
8 self-evaluated. However, if the self-study material is
9 completed through the use of an approved computerized
10 interactive format whereby the computer validates the
11 successful completion of the self-study material, no
12 additional examination is required. ~~The self-study credit~~
13 ~~hours contained in a certified course shall be considered~~
14 ~~classroom hours when at least two-thirds of the hours are~~
15 ~~given as classroom or seminar instruction.~~

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

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

1 (d) An individual insurance producer who allows his or her
2 license to lapse may, within 12 months after the due date of
3 the renewal fee, be issued a license without the necessity of
4 passing a written examination. However, a penalty in the amount
5 of double the unpaid renewal fee shall be required after the
6 due date.

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

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

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

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

25 (Source: P.A. 96-839, eff. 1-1-10; 97-113, eff. 7-14-11.)

1 (215 ILCS 5/1565)

2 Sec. 1565. Continuing education.

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

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

1 ~~hours contained in a certified course shall be considered~~
2 ~~classroom hours when at least two-thirds of the hours are given~~
3 ~~as classroom or seminar instruction.~~

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

7 (b) This Section shall not apply to:

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

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

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

17 (Source: P.A. 96-1332, eff. 1-1-11.)