



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB4015

by Rep. Frank J. Mautino

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/500-100

Amends the Illinois Insurance Code. Provides that a business entity may be issued a limited lines producer license for credit life and credit accident and health insurance and other credit insurance policies approved or permitted by the Director of Insurance, provided certain requirements are met. Prohibits a business entity holding a limited lines license from advertising, representing, or otherwise holding itself or any of its employees out as licensed insurers, insurance producers, insurance agents, or insurance brokers.

LRB099 07126 MLM 27213 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 Section 500-100 as follows:

6 (215 ILCS 5/500-100)

7 (Text of Section before amendment by P.A. 98-1165)

8 (Section scheduled to be repealed on January 1, 2017)

9 Sec. 500-100. Limited lines producer license.

10 (a) An individual who is at least 18 years of age and whom  
11 the Director considers to be competent, trustworthy, and of  
12 good business reputation may obtain a limited lines producer  
13 license for one or more of the following classes:

14 (1) insurance on baggage or limited travel health,  
15 accident, or trip cancellation insurance sold in  
16 connection with transportation provided by a common  
17 carrier;

18 (2) industrial life insurance, as defined in Section  
19 228 of this Code;

20 (3) industrial accident and health insurance, as  
21 defined in Section 368 of this Code;

22 (4) insurance issued by a company organized under the  
23 Farm Mutual Insurance Company Act of 1986;

1 (5) legal expense insurance;

2 (6) enrollment of recipients of public aid or medicare  
3 in a health maintenance organization;

4 (7) a limited health care plan issued by an  
5 organization having a certificate of authority under the  
6 Limited Health Service Organization Act;

7 (8) credit life and credit accident and health  
8 insurance and other credit insurance policies approved or  
9 permitted by the Director; a credit insurance company must  
10 conduct a training program in which an applicant shall  
11 receive basic instruction about the credit insurance  
12 products that he or she will be selling.

13 (b) The application for a limited lines producer license  
14 must be submitted on a form prescribed by the Director by a  
15 designee of the insurance company, health maintenance  
16 organization, or limited health service organization  
17 appointing the limited insurance representative. The insurance  
18 company, health maintenance organization, or limited health  
19 service organization must pay the fee required by Section  
20 500-135.

21 (c) A limited lines producer may represent more than one  
22 insurance company, health maintenance organization, or limited  
23 health service organization.

24 (d) An applicant who has met the requirements of this  
25 Section shall be issued a perpetual limited lines producer  
26 license.

1 (e) A limited lines producer license shall remain in effect  
2 as long as the appointing insurance company pays the respective  
3 fee required by Section 500-135 prior to January 1 of each  
4 year, unless the license is revoked or suspended pursuant to  
5 Section 500-70. Failure of the insurance company to pay the  
6 license fee or to submit the required documents shall cause  
7 immediate termination of the limited line insurance producer  
8 license with respect to which the failure occurs.

9 (f) A limited lines producer license may be terminated by  
10 the insurance company or the licensee.

11 (g) A person whom the Director considers to be competent,  
12 trustworthy, and of good business reputation may be issued a  
13 car rental limited line license. A car rental limited line  
14 license for a rental company shall remain in effect as long as  
15 the car rental limited line licensee pays the respective fee  
16 required by Section 500-135 prior to the next fee date unless  
17 the car rental license is revoked or suspended pursuant to  
18 Section 500-70. Failure of the car rental limited line licensee  
19 to pay the license fee or to submit the required documents  
20 shall cause immediate suspension of the car rental limited line  
21 license. A car rental limited line license for rental companies  
22 may be voluntarily terminated by the car rental limited line  
23 licensee. The license fee shall not be refunded upon  
24 termination of the car rental limited line license by the car  
25 rental limited line licensee.

26 (g-5) A business entity may be issued a limited lines

1 producer license for credit life and credit accident and health  
2 insurance and other credit insurance policies approved or  
3 permitted by the Director, provided that:

4 (1) application for the limited lines producer license  
5 for credit insurance is made on a form specified by the  
6 Director;

7 (2) the appointing insurance company has paid the  
8 application fee amount required by the Director for the  
9 business entity's application; and

10 (3) the business entity has designated an individual  
11 with an in force limited license producer license issued  
12 under paragraph (8) of subsection (a) of this Section to be  
13 responsible for the business entity's compliance with the  
14 insurance laws and regulations of this State related to  
15 credit life and credit accident and health insurance and  
16 other credit insurance policies approved or permitted by  
17 the Director that are offered or sold by that business  
18 entity.

19 Except as specifically authorized by paragraph (8) of  
20 subsection (a) of this Section or this subsection (g-5), a  
21 business entity holding a limited lines license under this  
22 subsection (g-5) may not advertise, represent, or otherwise  
23 hold itself or any of its employees out as licensed insurers,  
24 insurance producers, insurance agents, or insurance brokers.

25 (h) A limited lines producer issued a license pursuant to  
26 this Section is not subject to the requirements of Section

1 500-30.

2 (i) A limited lines producer license must contain the name,  
3 address and personal identification number of the licensee, the  
4 date the license was issued, general conditions relative to the  
5 license's expiration or termination, and any other information  
6 the Director considers proper. A limited line producer license,  
7 if applicable, must also contain the name and address of the  
8 appointing insurance company.

9 (Source: P.A. 98-159, eff. 8-2-13; 98-756, eff. 7-16-14.)

10 (Text of Section after amendment by P.A. 98-1165)

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

12 Sec. 500-100. Limited lines producer license.

13 (a) An individual who is at least 18 years of age and whom  
14 the Director considers to be competent, trustworthy, and of  
15 good business reputation may obtain a limited lines producer  
16 license for one or more of the following classes:

17 (1) travel insurance, as defined in Section 500-10 of  
18 this Article;

19 (2) industrial life insurance, as defined in Section  
20 228 of this Code;

21 (3) industrial accident and health insurance, as  
22 defined in Section 368 of this Code;

23 (4) insurance issued by a company organized under the  
24 Farm Mutual Insurance Company Act of 1986;

25 (5) legal expense insurance;

1           (6) enrollment of recipients of public aid or medicare  
2           in a health maintenance organization;

3           (7) a limited health care plan issued by an  
4           organization having a certificate of authority under the  
5           Limited Health Service Organization Act;

6           (8) credit life and credit accident and health  
7           insurance and other credit insurance policies approved or  
8           permitted by the Director; a credit insurance company must  
9           conduct a training program in which an applicant shall  
10          receive basic instruction about the credit insurance  
11          products that he or she will be selling.

12          (b) The application for a limited lines producer license  
13          must be submitted on a form prescribed by the Director by a  
14          designee of the insurance company, health maintenance  
15          organization, or limited health service organization  
16          appointing the limited insurance representative. The insurance  
17          company, health maintenance organization, or limited health  
18          service organization must pay the fee required by Section  
19          500-135.

20          (c) A limited lines producer may represent more than one  
21          insurance company, health maintenance organization, or limited  
22          health service organization.

23          (d) An applicant who has met the requirements of this  
24          Section shall be issued a perpetual limited lines producer  
25          license.

26          (e) A limited lines producer license shall remain in effect

1 as long as the appointing insurance company pays the respective  
2 fee required by Section 500-135 prior to January 1 of each  
3 year, unless the license is revoked or suspended pursuant to  
4 Section 500-70. Failure of the insurance company to pay the  
5 license fee or to submit the required documents shall cause  
6 immediate termination of the limited line insurance producer  
7 license with respect to which the failure occurs.

8 (f) A limited lines producer license may be terminated by  
9 the insurance company or the licensee.

10 (g) A person whom the Director considers to be competent,  
11 trustworthy, and of good business reputation may be issued a  
12 car rental limited line license. A car rental limited line  
13 license for a rental company shall remain in effect as long as  
14 the car rental limited line licensee pays the respective fee  
15 required by Section 500-135 prior to the next fee date unless  
16 the car rental license is revoked or suspended pursuant to  
17 Section 500-70. Failure of the car rental limited line licensee  
18 to pay the license fee or to submit the required documents  
19 shall cause immediate suspension of the car rental limited line  
20 license. A car rental limited line license for rental companies  
21 may be voluntarily terminated by the car rental limited line  
22 licensee. The license fee shall not be refunded upon  
23 termination of the car rental limited line license by the car  
24 rental limited line licensee.

25 (g-5) A business entity may be issued a limited lines  
26 producer license for credit life and credit accident and health



1 insurance and other credit insurance policies approved or  
2 permitted by the Director, provided that:

3 (1) application for the limited lines producer license  
4 for credit insurance is made on a form specified by the  
5 Director;

6 (2) the appointing insurance company has paid the  
7 application fee amount required by the Director for the  
8 business entity's application; and

9 (3) the business entity has designated an individual  
10 with an in force limited license producer license issued  
11 under paragraph (8) of subsection (a) of this Section to be  
12 responsible for the business entity's compliance with the  
13 insurance laws and regulations of this State related to  
14 credit life and credit accident and health insurance and  
15 other credit insurance policies approved or permitted by  
16 the Director that are offered or sold by that business  
17 entity.

18 Except as specifically authorized by paragraph (8) of  
19 subsection (a) of this Section or this subsection (g-5), a  
20 business entity holding a limited lines license under this  
21 subsection (g-5) may not advertise, represent, or otherwise  
22 hold itself or any of its employees out as licensed insurers,  
23 insurance producers, insurance agents, or insurance brokers.

24 (h) A limited lines producer issued a license pursuant to  
25 this Section is not subject to the requirements of Section  
26 500-30.

1 (i) A limited lines producer license must contain the name,  
2 address and personal identification number of the licensee, the  
3 date the license was issued, general conditions relative to the  
4 license's expiration or termination, and any other information  
5 the Director considers proper. A limited line producer license,  
6 if applicable, must also contain the name and address of the  
7 appointing insurance company.

8 (Source: P.A. 98-159, eff. 8-2-13; 98-756, eff. 7-16-14;  
9 98-1165, eff. 6-1-15.)

10 Section 95. No acceleration or delay. Where this Act makes  
11 changes in a statute that is represented in this Act by text  
12 that is not yet or no longer in effect (for example, a Section  
13 represented by multiple versions), the use of that text does  
14 not accelerate or delay the taking effect of (i) the changes  
15 made by this Act or (ii) provisions derived from any other  
16 Public Act.