

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Insurance Department Consumer Complaints
- 2) Code Citation: 50 Ill. Adm. Code 926
- 3)

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| <u>Section Numbers:</u> | <u>Proposed Actions:</u> |
| 926.20 | Amendment |
| 926.40 | Amendment |
- 4) Statutory Authority: Implementing Sections 133, 149, 404(1)(a), 421, and 424 of the Illinois Insurance Code [215 ILCS 5/133, 149, 404(1)(a), 421, and 424] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401]
- 5) A Complete Description of the Subjects and Issues Involved: This amendment will address the Department's ability to share information related to a complaint against an insurer, insurance producer, or other entity licensed or registered pursuant to chapter 215 of the Illinois Compiled Statutes with criminal justice agencies for investigation or prosecution, or to State regulatory agencies for regulatory action, where Department believes the reported conduct constitutes a violation of laws or regulations.
- 6) Any published studies or reports, along with the sources of underlying data, that were used when comprising this rulemaking, in accordance with 1 Ill. Adm. Code 100.355:
None
- 7) Will this rulemaking replace any emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: This rulemaking will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

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- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Barbara Delano
Assistant General Counsel
Illinois Department of Insurance
122 S. Michigan Ave, 19th Fl
Chicago IL 60603

or Susan Anders
Rules Coordinator
Illinois Department of Insurance
320 W. Washington St.
Springfield IL 62767

312/814-0919
fax: 312/814-2826

217/558-0957

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected:
Not applicable
- B) Reporting, bookkeeping or other procedures required for compliance: Not applicable
- C) Types of professional skills necessary for compliance: Not applicable
- 14) Regulatory Agenda on which this rulemaking was summarized: July 2016

The full text of the Proposed Amendments begins on the next page:

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TITLE 50: INSURANCE
 CHAPTER I: DEPARTMENT OF INSURANCE
 SUBCHAPTER I: PROVISIONS APPLICABLE TO ALL COMPANIES

PART 926
 INSURANCE DEPARTMENT CONSUMER COMPLAINTS

Section

| | |
|--------|-----------------------------------|
| 926.10 | Authority |
| 926.20 | Scope |
| 926.30 | Purpose |
| 926.40 | Complaint Handling Procedure |
| 926.50 | Maintenance of Complaint Records |
| 926.60 | Severability Provision (Repealed) |
| 926.70 | Effective Date (Repealed) |

926.EXHIBIT A Complaint Record

926.EXHIBIT B Explanation

AUTHORITY: Implementing Sections 133, 149, 404(1)(a), 421, and 424 of the Illinois Insurance Code [215 ILCS 5/133, 149, 404(1)(a), 421, and 424] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401].

SOURCE: Filed December 2, 1976, effective January 1, 1977; codified at 7 Ill. Reg. 2361; amended at 23 Ill. Reg. 5695, effective May 3, 1999; amended at 41 Ill. Reg. _____, effective _____.

Section 926.20 Scope

This Part 926 shall apply to any insurance company licensed to do business in this State ~~that~~which is transacting the kind or kinds of business described as Class 1, Class 2, or Class 3 in Section 4 of the Illinois Insurance Code [215 ILCS 5/4] (Code). This Part also applies to any entity that the Director of Insurance licenses, registers or grants a Certificate of Authority under Chapter 215 of the Illinois Compiled Statutes, and to any insurance producer licensed under Article XXXI of the ~~Illinois Insurance~~ Code. Complaint files are deemed, by the Illinois Department of Insurance (Department), to be confidential records and will ~~not~~ be released only ~~to~~unless such person or organization is either the complainant and/or the party against whom the

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complaint has been filed, a criminal justice agency, law enforcement entity, or other appropriate governmental agency.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 926.40 Complaint Handling Procedure

- a) Notification and Response Requirements
- When a complaint is received by the Department ~~of Insurance~~ against an insurer, insurance producer, or other entity identified in Section 926.20 ~~of this Part~~ (respondent), the respondent shall be notified of the complaint. The Department will, in its notification, specify the date when a report is to be received from the respondent, which, in most instances, will be 21 calendar days after notification is sent to the respondent.
- b) Contents of Response or Report or Both
- 1) Each respondent shall supply adequate documentation ~~that~~which explains all actions taken or not taken and ~~that~~which were the basis for the complaint;
 - 2) Documents necessary to support the respondent's position, or information requested by the Department, shall be furnished with the respondent's reply;
 - 3) The respondent's reply shall be in duplicate, but duplicate copies of supporting documents are not required;
 - 4) The respondent's reply shall include the name, telephone number and address of the individual assigned to the complaint;
 - 5) The Department will respect the confidentiality of medical reports and other documents ~~that,~~which by law, are confidential. Any other information furnished by a respondent shall be marked "confidential" if the respondent does not wish it to be released to the complainant; and
 - 6) The complaint and all documents submitted with the complaint or in

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response to the complaint are deemed confidential and will not be released to third parties, except to provide that information to a criminal justice agency for investigation or prosecution, or, if the Department's investigation reveals that the conduct reported may be in violation of other laws or regulations, the Department may provide the information to the appropriate governmental agency charged with administering those laws and regulations.

c) Follow-up or Conclusion

Upon receipt of the respondent's report, the Department ~~of Insurance~~ insurance analyst will evaluate the material submitted and:

- 1) Advise the complainant of the action taken and disposition of the complaint; or
- 2) Pursue further investigation with the respondent or complainant; or
- 3) Refer the complaint file to the appropriate Division within the Department ~~of Insurance~~ for further regulatory action.

(Source: Amended at 41 Ill. Reg. _____, effective _____)