

TABLE OF CONTENTS

June 28, 2019 Volume 43, Issue 26

ADOPTED RULES

COMMERCE COMMISSION, ILLINOIS	
Rules of Practice	
83 Ill. Adm. Code 200.....	7217
INSURANCE, DEPARTMENT OF	
Filing Policy and Endorsements Form	
50 Ill. Adm. Code 753.....	7225
Required Procedures for Group Inland Marine Insurance	
50 Ill. Adm. Code 2302.....	7230
Internal Security Standards and Fidelity Bonds	
50 Ill. Adm. Code 3501.....	7245
STATE BOARD OF EDUCATION, ILLINOIS	
Gifted Education	
23 Ill. Adm. Code 227.....	7255
STUDENT ASSISTANCE COMMISSION, ILLINOIS	
General Provisions	
23 Ill. Adm. Code 2700.....	7269
Monetary Award Program (MAP)	
23 Ill. Adm. Code 2735.....	7281
Community Behavioral Health Care Professional Loan Repayment Program	
23 Ill. Adm. Code 2753.....	7289
Nurse Educator Loan Repayment Program	
23 Ill. Adm. Code 2758.....	7297
JOINT COMMITTEE ON ADMINISTRATIVE RULES STATEMENT OF WITHDRAWAL OF PROHIBITED FILINGS	
CAPITAL DEVELOPMENT BOARD	
Illinois Energy Conservation Code	
71 Ill. Adm. Code 600.....	7301
JCAR REVIEW OF EXISTING RULES STATEMENTS OF OBJECTIONS	
COMMERCE COMMISSION, ILLINOIS	
Regulatory Accounting Treatment for Cloud-Based Computing Solutions	
83 Ill. Adm. Code 289.....	7302
FINANCIAL AND PROFESSIONAL REGULATION, DEPARTMENT OF	
Illinois Dental Practice Act	
68 Ill. Adm. Code 1220.....	7303
INSURANCE, DEPARTMENT OF	
Workers' Compensation Electronic and Standardized Paper Billing	
50 Ill. Adm. Code 2908.....	7304

**JCAR REVIEW OF EXISTING RULES STATEMENTS OF
RECOMMENDATIONS**

COMMERCE COMMISSION, ILLINOIS

Certification of Alternative Retail Electric Suppliers
83 Ill. Adm. Code 451.....7305

COMMUNITY COLLEGE BOARD, ILLINOIS

Administration of the Illinois Public Community College Act
23 Ill. Adm. Code 1501.....7306

SECOND NOTICES RECEIVED

JOINT COMMITTEE ON ADMINISTRATIVE RULES

Second Notices Received.....7307

REGULATORY AGENDA

**CHIEF PROCUREMENT OFFICER FOR PUBLIC INSTITUTIONS OF
HIGHER EDUCATION**

Chief Procurement Officer for Public Institutions of Higher Education –
Standard Procurement
44 Ill. Adm. Code 4.....7308

INSURANCE, DEPARTMENT OF

Acquisition of Control of a Domestic Company
50 Ill. Adm. Code 651.....7309

STATE UNIVERSITIES RETIREMENT SYSTEM

Universities Retirement
80 Ill. Adm. Code 1600.....7321

INTRODUCTION

The *Illinois Register* is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State Statute; and activities (meeting agendas; Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State Agencies; is also published in the Register.

The Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings.

The *Illinois Register* is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1, et seq.].

ILLINOIS REGISTER PUBLICATION SCHEDULE FOR 2019

Issue#	Rules Due Date	Date of Issue
1	December 26, 2018	January 4, 2019
2	December 31, 2018	January 11, 2019
3	January 7, 2019	January 18, 2019
4	January 14, 2019	January 25, 2019
5	January 22, 2019	February 1, 2019
6	January 28, 2019	February 8, 2019
7	February 4, 2019	February 15, 2019
8	February 11, 2019	February 22, 2019
9	February 19, 2019	March 1, 2019
10	February 25, 2019	March 8, 2019
11	March 4, 2019	March 15, 2019
12	March 11, 2019	March 22, 2019
13	March 18, 2019	March 29, 2019
14	March 25, 2019	April 5, 2019
15	April 1, 2019	April 12, 2019
16	April 8, 2019	April 19, 2019
17	April 15, 2019	April 26, 2019
18	April 22, 2019	May 3, 2019
19	April 29, 2019	May 10, 2019
20	May 6, 2019	May 17, 2019
21	May 13, 2019	May 24, 2019

22	May 20, 2019	May 31, 2019
23	May 28, 2019	June 7, 2019
24	June 3, 2019	June 14, 2019
25	June 10, 2019	June 21, 2019
26	June 17, 2019	June 28, 2019
27	June 24, 2019	July 5, 2019
28	July 1, 2019	July 12, 2019
29	July 8, 2019	July 19, 2019
30	July 15, 2019	July 26, 2019
31	July 22, 2019	August 2, 2019
32	July 29, 2019	August 9, 2019
33	August 5, 2019	August 16, 2019
34	August 12, 2019	August 23, 2019
35	August 19, 2019	August 30, 2019
36	August 26, 2019	September 6, 2019
37	September 3, 2019	September 13, 2019
38	September 9, 2019	September 20, 2019
39	September 16, 2019	September 27, 2019
40	September 23, 2019	October 4, 2019
41	September 30, 2019	October 11, 2019
42	October 7, 2019	October 18, 2019
43	October 15, 2019	October 25, 2019
44	October 21, 2019	November 1, 2019
45	October 28, 2019	November 8, 2019
46	November 4, 2019	November 15, 2019
47	November 12, 2019	November 22, 2019
48	November 18, 2019	December 2, 2019
49	November 25, 2019	December 6, 2019
50	December 2, 2019	December 13, 2019
51	December 9, 2019	December 20, 2019
52	December 16, 2019	December 27, 2019

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Rules of Practice
- 2) Code Citation: 83 Ill. Adm. Code 200
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
200.130	Amendment
200.1010	Amendment
200.1040	Amendment
- 4) Statutory Authority: Implementing and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/10-101], Section 18c-1202 of the Illinois Commercial Transportation Law [625 ILCS 5/18c-1202], Section 18a-200 of the Illinois Commercial Relocation of Trespassing Vehicles Law [625 ILCS 5/18a-200], Section 10 of the Electric Supplier Act [220 ILCS 30/10], and Section 25-101 of the Electronic Commerce Security Act [5 ILCS 175/25-101].
- 5) Effective Date of Rules: June 17, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Commission's Springfield office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 42 Ill. Reg. 19323; November 2, 2018
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version: No changes have been made.
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? JCAR did not request that any changes be made.
- 13) Does this rulemaking replace any emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- 15) Summary and Purpose of Rulemaking: The amendments allow pleadings filed with the Commission, whether on paper or in electronic form, to be certified in the manner provided by Section 1-109 of the Code of Civil Procedure [735 ILCS 5/1-109] as an alternative to verification before a notary public. Pleadings or expert witness materials frequently must be produced and verified on short notice or under circumstances in which the verifying party does not have notary services available, and this amendment will facilitate the efficient preparation and filing of documents submitted to the agency. In addition, the amendments designate Adobe Acrobat Portable Document Format (PDF) as the sole supported electronic filing format for electronic submissions. Almost all electronic filings with the agency are now made as PDFs, and removing the other formats from the rule means that the agency no longer needs to devote resources to supporting those rarely used formats.
- 16) Questions or requests for information about these adopted rules shall be directed to:

Brian W. Allen
Office of General Counsel
Illinois Commerce Commission
527 East Capitol Avenue
Springfield IL 62701

217/558-2387

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

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

TITLE 83: PUBLIC UTILITIES
CHAPTER I: ILLINOIS COMMERCE COMMISSION
SUBCHAPTER b: PROVISIONS APPLICABLE TO
MORE THAN ONE KIND OF UTILITYPART 200
RULES OF PRACTICE

SUBPART A: GENERAL PROVISIONS

Section	
200.10	Procedure Governed
200.20	Construction of This Part
200.25	Standards for Discretion
200.30	Deviation from This Part
200.40	Definitions
200.50	Office
200.60	Open Meetings
200.70	Submission of Paper Documents
200.80	Computation of Time
200.90	Appearances
200.95	Class Actions Prohibited

SUBPART B: FORM, FILING AND SERVICE OF PLEADINGS

Section	
200.100	Contents of Pleadings and Documents
200.110	Forms of Pleadings and Documents
200.120	Copies of Pleadings
200.130	Signature and Verification
200.140	Amendments
200.150	Service
200.160	Informal Complaints
200.170	Formal Complaints
200.180	Answers
200.185	Satisfaction of Complaint
200.190	Motions
200.200	Intervention
200.210	Petition for Rulemaking

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

200.220 Declaratory Rulings

SUBPART C: PREHEARING PROCEDURE AND DISCOVERY

Section

200.300 Prehearing Conferences
200.310 Other Prehearing Submissions
200.320 Facts Disclosed Privileged
200.330 Recordation and Order
200.335 Application of Discovery Rules Contained in Sections 200.340 through 200.430
200.340 Policy on Discovery
200.345 Discovery by Staff Witnesses
200.350 Reasonable Attempts to Resolve Differences Required
200.360 Depositions and Other Discovery Procedures
200.370 Supervision of Discovery
200.380 Subpoenas
200.390 Motion to Quash Subpoena
200.400 Service and Fees Payable
200.410 Time Limits on Discovery
200.420 Failure to Comply With a Discovery Order or a Subpoena
200.430 Protective Orders

SUBPART D: HEARING PROCEDURE

Section

200.500 Authority of Hearing Examiner
200.505 Recessing Hearing For Conference or Discussion
200.510 Disqualification of Hearing Examiner
200.520 Interlocutory Review of Hearing Examiner's Ruling
200.525 Paper Hearings
200.530 Notice, Time and Place of Hearings
200.540 Recording Appearances at Hearings
200.550 Failure to Appear or to Exercise Diligence in Proceeding
200.560 Continuances
200.570 Order of Procedure and Receiving Evidence
200.580 Transcripts
200.590 Conduct at Hearings
200.600 Consolidation and Severance
200.605 Procedure for the Identification and Treatment in Hearings of Confidential or

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

	Proprietary Information or a Trade Secret
200.610	Evidence
200.615	Waiver of Cross-examination
200.620	Testimony to be Under Oath or Affirmation
200.625	Examination of Adverse Party or Agent
200.630	Stipulation of Facts
200.640	Administrative Notice
200.650	Records of Other Proceedings
200.660	Prepared Testimony
200.670	Exhibits
200.680	Objections
200.690	Offer of Proof
200.700	Record in Commission Proceedings
200.710	Ex Parte Communications

SUBPART E: POST-HEARING PROCEDURE

Section	
200.800	Briefs
200.810	Draft Orders
200.820	Hearing Examiner's Recommended or Proposed Order
200.830	Exceptions; Reply
200.840	Filing of Briefs
200.850	Oral Argument
200.860	Commission Order
200.870	Additional Hearings
200.875	Post-Record Data
200.880	Rehearing
200.890	Appeals
200.900	Reopening on Motion of the Commission

SUBPART F: ELECTRONIC FILING

Section	
200.1000	Overview of Electronic Filing
200.1010	Acceptable Formats
200.1020	e-Docket Accounts
200.1030	Control Processes
200.1040	Submission of Electronic Documents

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- 200.1045 Electronic Documents Accepted by the Commission
200.1050 Service by Electronic Means
200.1060 Electronic Documents and the Hearing Process

AUTHORITY: Implementing and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/10-101], Section 18c-1202 of the Illinois Commercial Transportation Law [625 ILCS 5/18c-1202], Section 18a-200 of the Illinois Commercial Relocation of Trespassing Vehicles Law [625 ILCS 5/18a-200], Section 10 of the Electric Supplier Act [220 ILCS 30/10], and Section 25-101 of the Electronic Commerce Security Act [5 ILCS 175/25-101].

SOURCE: Filed and effective January 15, 1960; codified at 8 Ill. Reg. 18459; old rules repealed and new Part adopted at 9 Ill. Reg. 5627, effective April 15, 1985; emergency amendments at 10 Ill. Reg. 1277, effective January 1, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 10481, effective May 30, 1986; amended at 18 Ill. Reg. 7748, effective May 15, 1994; amended at 20 Ill. Reg. 10607, effective August 15, 1996; emergency amendment at 24 Ill. Reg. 7903, effective May 22, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 16019, effective October 15, 2000; amended at 32 Ill. Reg. 14497, effective September 1, 2008; amended at 35 Ill. Reg. 6327, effective April 1, 2011; amended at 38 Ill. Reg. 22706, effective November 21, 2014; amended at 43 Ill. Reg. 7217, effective June 17, 2019.

SUBPART B: FORM, FILING AND SERVICE OF PLEADINGS

Section 200.130 Signature and Verification

The original of every pleading filed with the Commission shall be signed by the party filing the same or by an officer, agent or attorney therefor, provided that petitions filed under Section 7-102 of the Public Utilities Act [220 ILCS 5/7-102] shall be signed by the ~~persons~~[person\(s\)](#) specified in that Section. The contents of all formal complaints, petitions, applications, petitions to intervene, supplemental formal complaints and supplemental petitions shall be verified by the filing party before a notary public. Alternatively, any party may certify, in the manner provided by Section 1-109 of the Code of Civil Procedure [735 ILCS 5/1-109], any document that requires verification.

(Source: Amended at 43 Ill. Reg. 7217, effective June 17, 2019)

SUBPART F: ELECTRONIC FILING

Section 200.1010 Acceptable Formats

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- a) All electronic documents submitted to the Commission via e-Docket shall be in Adobe Acrobat Portable Document Format (PDF), ~~one of the following formats:~~
- 1) ~~Microsoft Word for Windows, version 6.0 or greater;~~
 - 2) ~~Corel WordPerfect for Windows, version 6.0 or greater;~~
 - 3) ~~Microsoft Excel for Windows, version 4.0 or greater;~~
 - 4) ~~Lotus 1-2-3 for Windows, version 4.0 or greater;~~
 - 5) ~~ASCII Text; or~~
 - 6) ~~Adobe Acrobat Portable Document Format (PDF) version 2.0 or greater~~
- b) All e-Docket electronic records will be stored by the Commission in Adobe Acrobat PDF. ~~Electronic documents not submitted in PDF will be converted to PDF by the Commission.~~
- e) ~~The Commission encourages persons to submit electronic documents in PDF.~~

(Source: Amended at 43 Ill. Reg. 7217, effective June 17, 2019)

Section 200.1040 Submission of Electronic Documents

- a) Persons filing electronic documents shall receive a receipt with an identification number that shall be sent electronically. Documents that are required to be verified, ~~or~~ that have an affidavit, or that are certified in the manner provided by Section 1-109 of the Code of Civil Procedure must include the scanned verification, ~~or~~ affidavit or certification pages in the filed electronic document in Adobe Acrobat PDF. Otherwise, otherwise documents that are required to be verified, ~~or~~ that have an affidavit, or that are certified in the manner provided by Section 1-109 of the Code of Civil Procedure shall be deemed to be officially filed or received only when the person submitting the electronic document submits to the Commission the original verification, ~~or~~ affidavit or certification pages accompanied by a printed copy of the electronic receipt for that document.
- b) The filing of an electronic document is effective upon acceptance of the complete document, and, if applicable, any required original paper verification, ~~or~~ affidavit

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

or certification pages, by the Chief Clerk of the Commission in one of the formats specified in Section 200.1010(a). Any required verification, ~~or affidavit~~ or certification pages, whether they be in an electronic format or a paper version, must be received and accepted by the Chief Clerk for purposes of meeting filing deadlines, unless otherwise specified by the Commission or the Hearing Examiner.

(Source: Amended at 43 Ill. Reg. 7217, effective June 17, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Filing Policy and Endorsements Form
- 2) Code Citation: 50 Ill. Adm. Code 753
- 3) Section Number: 753.10 Adopted Action:
Amendment
- 4) Statutory Authority: Implementing Article VIIA and authorized by Sections 401 and 143 of the Illinois Insurance Code [215 ILCS 5/Art. VIIA and 401 and 143].
- 5) Effective Date of Rule: June 13, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rule, including any material incorporated by reference, is on file in the Agency's principal office of the Department of Insurance and is available for public inspection.
- 9) Notice of Proposal published in *Illinois Register*: 43 Ill. Reg. 1463; February 1, 2019
- 10) Has JCAR issued a Statement of Objection to this Rulemaking? No
- 11) Differences between Proposal and Final Version: In Section 753.10(a), 4th line, changed "businesses" to "business".
- 12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? There were none.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: The Department is currently amending Part 2302, which establishes procedures for form and rate filings for group certificate inland marine policies. Some confusion has arisen as to whether the types of policies in Part 2302 are also regulated under Part 753. Part 753 is being amended to clarify that there is not double regulation of some polices in these two rules.

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

- 16) Information and questions regarding this adopted rule shall be directed to:

Keith Fanning, Assistant Deputy Director
Department of Insurance
320 West Washington Street
Springfield IL 62767-0001

217/782-1792

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

TITLE 50: INSURANCE

CHAPTER I: DEPARTMENT OF INSURANCE

SUBCHAPTER i: ADVISORY ORGANIZATIONS AND INSURANCE COMPANIES

PART 753

FILING POLICY AND ENDORSEMENTS FORM

Section

753.10	Companies Must File
753.20	Form and Content of Filings
753.30	Submission of Filing

753.EXHIBIT A Authorization to Accept Filings by Reference (Form RF-1) (Repealed)

AUTHORITY: Implementing Article VIIA and authorized by Sections 401 and 143 of the Illinois Insurance Code [215 ILCS 5/Art. VIIA and 401 and 143].

SOURCE: Filed May 20, 1977, effective June 1, 1977; codified at 6 Ill. Reg. 12459; amended at 39 Ill. Reg. 4061, effective March 9, 2015; amended at 43 Ill. Reg. 7225, effective June 13, 2019.

Section 753.10 Companies Must File

- a) All companies writing any of the kinds of business enumerated in Class 2 ~~casualty~~, except clauses (a) (accident and health), (d) (workers' compensation) and (g) (fidelity and surety), of Section 4 of the Illinois Insurance Code (Code) [215 ILCS 5], and any of the kinds of business enumerated in Class 3 ~~(inland marine)~~ of Section 4 of the Code, except those covered under 50 Ill. Adm. Code 2302, must file, using the System for Electronic Rate and Form Filing (SERFF):
- 1) copies of all policy forms on these kinds of business and, for mutual companies, a separate proxy signature line for the insured to sign, if applicable;
 - 2) copies of generally used endorsement forms on these kinds of business;
 - 3) copies of all application forms used on these kinds of business, including a separate proxy signature line for the insured to sign if applicable;

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

- 4) a copy of the declaration page, in non-individualized, template form, absent personal policyholder information; and
 - 5) a copy of the policy jacket, if used by the company.
- b) This filing requirement can be met by:
- 1) a company making a direct filing on its own behalf or through a third party filer with the company's authorization; or
 - 2) a company authorizing the advisory organization, of which it is a member or subscriber, to make the filing on the company's behalf.
- c) A company authorizing its advisory organization to file on the company's behalf under subsection (b)(2) must have on file an authorization that includes:
- 1) the name of its authorized advisory organization;
 - 2) the kinds of business for which filings will be made;
 - 3) authorization clause or language; and
 - 4) effective date of authorization.
- d) All filings must be accompanied by a forms submission letter that includes:
- 1) the name of the advisory organization or company making the filing;
 - 2) title, form number, and edition identification of the forms;
 - 3) information as to what Class and Clause coverage is written under;
 - 4) identification of all applicable endorsements and applications as to the policy forms for which the endorsements and applications are used;
 - 5) notification as to whether the filing is new or supersedes a present filing. Identification of all changes in all superseding filings, as well as identification of all superseded forms, is required; and

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

- 6) effective date of use.

(Source: Amended at 43 Ill. Reg. 7225, effective June 13, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Required Procedures for Group Inland Marine Insurance
- 2) Code Citation: 50 Ill. Adm. Code 2302
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
2302.10	Repealed
2302.20	Amendment
2302.30	Amendment
2302.40	Amendment
2302.50	Amendment
2302.60	Repealed
2302.EXHIBIT A	Repealed
- 4) Statutory Authority: Implementing Section 400.1 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/400.1 and 401].
- 5) Effective Date of Rulemaking: June 13, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Department of Insurance and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 1476; February 1, 2019
- 10) Has JCAR issued a Statement of Objection to this Rulemaking? No
- 11) Differences between Proposal and Final Version: In Section 2302.20(b), second and third lines, deleted ". However, this Part is only applicable to" and "insurance". In Section 2302.40(a)(1)(A), after "forms" added "and,", and deleted "including". In Section 2302.40(a)(1)(B) and (C), changed "businesses" to "business". In Section 2302.40(a)(5)(D)(iii), in the first line, deleted the comma after "loans".
- 12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: This rule is being updated to reflect the Department's use of the National Association of Insurance Commissioners (NAIC) electronic system for companies to submit their filings through the System for Electronic Rate and Form Filing (SERFF). This is just a housekeeping change to reflect our current practice. Since 2012, we have required companies to file electronically.
- 16) Information and questions regarding these adopted rules shall be directed to:

Keith Fanning, Assistant Deputy Director
Department of Insurance
320 West Washington Street
Springfield IL 62767-0001

217/782-1792

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

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER cc: FIRE AND MARINE INSURANCEPART 2302
REQUIRED PROCEDURES FOR GROUP INLAND MARINE INSURANCE

Section

2302.10	Authority (Repealed)
2302.20	Purpose and Scope
2302.30	Definitions
2302.40	Procedure
2302.50	Severability Provision
2302.60	Effective Date (Repealed)

2302.EXHIBIT A Illinois Departmental Regulations ([Repealed](#))

AUTHORITY: Implementing Section 400.1 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/400.1 and 401].

SOURCE: Filed June 18, 1976, effective July 1, 1976; amended at 5 Ill. Reg. 6441, effective June 8, 1981; codified at 6 Ill. Reg. 13332; amended at 43 Ill. Reg. 7230, effective June 13, 2019.

Section 2302.10 Authority ([Repealed](#))

~~This rule is promulgated by the Director of Insurance pursuant to authority contained in Section 401 of the Illinois Insurance Code (Ill. Rev. Stat. 1981, ch. 73, par. 1013) which empowers the Director "...to make reasonable rules and regulations as may be necessary for making effective..." insurance laws of the State of Illinois. This Rule implements Section 400.1 of the Illinois Insurance Code (Ill. Rev. Stat. 1981, ch. 73, par. 1012.1).~~

(Source: Repealed at 43 Ill. Reg. 7230, effective June 13, 2019)

Section 2302.20 Purpose and Scope

- a) The purpose of this [PartRule](#) is to establish a uniform procedure under which all companies must: ~~1)fileFile~~ with and secure approval of the Director of Insurance for [group or master policy-certificate inland marine insurance](#)~~Group Inland~~

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

~~Marine Insurance forms, rules, and rates~~ before their use in Illinois;

- 2) ~~File with the Director of Insurance Group Inland Marine Insurance rules and rates before their use in Illinois.~~
- b) This Part is applicable to group or master-policy certificate inland marine insurance regulated by Section 400.1 of the Code ~~However, such filing shall be required only for insurance~~ involving personal property owned by, being purchased by, or pledged as collateral by individuals, and not used in any business, trade or profession. Other types of group or master-policy certificate inland marine insurance are exempt from filing under this Part.

(Source: Amended at 43 Ill. Reg. 7230, effective June 13, 2019)

Section 2302.30 Definitions

"Code" means the Illinois Insurance Code [215 ILCS 5].

"Company", as used in this PartRule, means any entity ~~which is~~ defined as a "company" in Section 2 of the ~~Illinois Insurance Code (Ill. Rev. Stat. 1981, ch. 73, par. 614)~~ and ~~thatwhich~~ issues or delivers in the State of Illinois any policy, contract or certificate of Group Inland Marine and Transportation insurance ~~thatwhich~~ falls within ~~the~~ Class 3, Clause (d) of Section 4 of ~~thesaid Illinois Insurance Code (Ill. Rev. Stat. 1981, ch. 73, par. 616)~~ and any other incidental or supplemental classes and clauses ~~incidental or supplemental thereto.~~

"Department" means the Illinois Department of Insurance.

"Director" means the Director of the Illinois Department of Insurance.

"SERFF" means System for Electronic Rate and Form Filing.

~~"Form" as used in Rule means any document to be issued or delivered in the State of Illinois constituting in substance a policy, contract, certificate of insurance, endorsement, rider, application or other matter incorporated therein by reference. "Form" may also include any manner of advertising and sales promotion material, regardless of the media involved.~~

(Source: Amended at 43 Ill. Reg. 7230, effective June 13, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

Section 2302.40 Procedure

a) Forms:

~~Nothing herein shall prohibit the Director from requiring, by Rule, the filing of any Group Inland Marine forms not included in Section 2302.20 of this Part.~~

~~1) Each company shall file with and secure approval from the Director of Insurance of each form, required to be filed and approved, pursuant to Section 400.1 of the Illinois Insurance Code, before it is issued or delivered in the State of Illinois. Advertising and sales promotion material shall be filed upon a request from the Director.~~

1) All companies must file, using the System for Electronic Rate and Form Filing (SERFF):

A) Copies of all policy forms and, for mutual companies, a separate proxy signature line for the insured to sign, if applicable;

B) Copies of generally used endorsement forms on these kinds of business;

C) Copies of all application forms used on these kinds of business, including a separate proxy signature line for the insured to sign, if applicable;

D) A copy of the declaration page, in non-individualized, template form, absent personal policyholder information; and

E) A copy of the policy jacket, if used by the company.

2) All filings must be accompanied by a forms submission letter that includes:

A) The name of the advisory organization or company making the filing;

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- B) Descriptive title, form number, and edition identification of the forms;
 - C) Information as to what class and clause the coverage is written under;
 - D) Identification of all applicable endorsements and applications as to the policy forms for which the endorsements and applications are used;
 - E) Notification as to whether the filing is new or supersedes a present filing. Identification of all changes in all superseding filings, as well as identification of all superseded forms, is required; and
 - F) Effective date of use.
- 2) ~~Each form filing shall include:~~
- A) ~~a letter of submission in duplicate,~~
 - B) ~~the form in duplicate:~~
 - i) ~~in final printed form,~~
 - ii) ~~showing form number and edition date in the lower, left-hand corner of the front of the form,~~
 - iii) ~~printed in not less than eight point type,~~
 - iv) ~~with spacing between printed lines of not less than one-point leading,~~
 - v) ~~bearing a descriptive title,~~
 - vi) ~~showing at the beginning of the form; the name of the insurer, the location of the home office thereof, a stock, mutual, reciprocal, Lloyds, alien insurer, or an insurer operating under a charter by Special Act of the Legislature of any state.~~

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- 3) ~~Form filing requirements can be met by:~~
- A) ~~A company making a direct filing on its own behalf; or~~
 - B) ~~A company making a reference filing utilizing an Advisory Organizations material filed; or~~
 - C) ~~A company authorizing and Advisory Organization, of which it is a member or subscriber, to make the filing on the company's behalf.~~
- 4) ~~A company making a reference filing under Section 2302.40 (a)(3)(B) above must file a completed form RF4, in duplicate (see exhibit attach to this Rule).~~
- 5) ~~A company authorizing an Advisory Organization to file on the company's behalf, under Section 2302.40 (a)(3)(C) above, must have on file a forms authorization letter, in duplicate, which includes:~~
- A) ~~The name of their authorized Advisory Organization,~~
 - B) ~~The kinds of insurance for which the filing is being made,~~
 - C) ~~Authorization clause or language,~~
 - D) ~~Effective date of authorization.~~
- 6) ~~All filings must be accompanied by a forms submission letter, in duplicate, including:~~
- A) ~~The names involved—Company, Advisory Organization.~~
 - B) ~~Title, form number and edition identification of the forms.~~
 - C) ~~Identification of all applicable endorsements, applications and policy forms with which the material being filed will be used.~~
 - D) ~~Notification as to whether the filing is new or supersedes a present~~

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

~~filing. Identification of all changes in any superseded filing(s) as well as identification of all superseded forms is required. Identification of superseded forms shall include:~~

- ~~i) Title,~~
 - ~~ii) Form number,~~
 - ~~iii) Edition date,~~
 - ~~iv) Date shown on Department filing stamp.~~
 - ~~E) Proposed effective date of use,~~
 - ~~F) Companies under the same ownership or general management are required to make separate individual Company filings for each company wishing to use the material. Companies may not file collectively as a group.~~
 - ~~G) Typed or printer's proof of copies may be submitted for review but will not be accepted for filing. Only printed forms will be accepted for filing. Statements, provisions or endorsements may not be superimposed, in any manner, on any form.~~
- 37) No form will be approved until the rates, rules and minimum premiums; for use with the form~~therewith~~, have been accepted for filing.
- 48) Disclosure:
- A)i) All ~~Group Inland Marine~~ insurance applications and certificates shall contain, in a type size and ink color to make it predominant, the following:;

WARNING

PURCHASING THIS COVERAGE MAY VOID OR
LIMIT OTHER INSURANCE SUCH AS A
HOMEOWNERS POLICY OR FIRE POLICY
COVERING YOUR CONTENTS. PLEASE READ ANY

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

SUCH POLICIES YOU HAVE.

~~B)ii)~~ On applications, the above described warning shall appear immediately above the space provided for the applicant's signature.

~~CB)~~ Upon prior approval of the Director ~~of Insurance~~, the above warning may be modified ~~using if done so with~~ substantially similar wording to convey the intent and purpose of the warning.

~~59) Certificates:~~ Each certificate shall:

A) ~~Displays~~ show the name and address of the master policyholder and the certificate holder;

B) Provide that loss payments shall be made to all insureds as their interest may appear at the time of loss for property pledged as collateral for loans;

C) Provide for repair or replacement of the damaged property, or in the event of a cash settlement, provide that payment shall be made to the creditor to reduce or extinguish the unpaid indebtedness with any excess payable to the purchaser when insuring property purchased or sold under the terms of any open end charge account or closed end installment sales contract;

D) ~~Include~~ Have a specific description of ~~all the~~ insured items and the specific amount of coverage for each item, except that: ~~property;~~

i) An itemized listing on the certificate is not required if All insured items shall have a specific description and shall have a specific amount of coverage shown for each item unless records are maintained in sufficient detail and in a form readily are available to the Director or his or her designee to permit verification of determine every item insured and the amount of insurance applicable to each item; ~~thereto.~~

ii) When insurance is provided on a replacement cost basis, a specific amount of insurance is not required; ~~and. These~~

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

~~records shall also be maintained in sufficient detail and in a form readily available to the Director of Insurance or his designee in order to verify every item insured and the amount of insurance applicable thereto.~~

~~iii#)~~ Items pledged as collateral for loans, not related to the purchase or sale of ~~thesesaid~~ items, may be collectively rather than specifically described, and one amount of coverage may be shown for the entire collateral;:-

E) Contain the following provisions of the master policy:

i) Perils insured against;:-

ii) Cancellation provisions; ~~and~~:-

iii) All provisions applicable to claims;:-

F) Contain wording advising that it is necessary to refer to the master policy for the entire ~~text of the~~ contract ~~wording~~ and state where, in the State of Illinois, ~~thesuch~~ master policy may be seen; ~~and~~:-

G) Contain the provisions set forth in ~~subsection Section 2302.40(c) of this Part.~~

~~610)~~ Each master policy ~~or a certified duplicate thereof~~ shall be maintained within the State of Illinois and shall be available for inspection ~~on the Department's website, during usual business hours, by any holder of a certificate issued under such master policy.~~

b) Rates:-

1) Each company shall file with the Director ~~of Insurance~~ each rate, rule and minimum premium before it is used in the State of Illinois.

2) All filings must be submitted using SERFF and must include:

A) The name of the advisory organization or company making the filing;

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- B) Identification of the rule with the manual or kind of insurance to which it applies;
 - C) Notification as to whether the filing is new or supersedes a present filing. Identification of all changes in all superseding filings, as well as identification of all superseded filings, is required. The preferred format is to underline the new wording and overstrike the deleted or changed language and give an explanation for the changes being made, but alternative methods of indicating changes will also be accepted; and
 - D) The effective date of use.
- 3) Insurers may authorize attorneys, consulting firms, or other authorized third parties to submit rate filings to the Department, as long as the filing includes a notice, signed by an authorized company officer, giving authority for the entity to act on the insurer's behalf on any issues related to the filing.
- 4) All company rate filings in SERFF must include the Company Rate Information, which shall include:
- A) Overall % Indicated Change;
 - B) Overall % Rate Impact – This is the statewide average percentage change to the accepted rates for the coverages included for each company;
 - C) Written premium change for this program – This is the statewide change in written premium based on the proposed overall percentage rate impact for each company;
 - D) Number of policyholders affected for this program – This is the number of policyholders affected by the overall percentage rate impact for each company;
 - E) Written premium for this program – This is the statewide written premium for each company;

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- F) Maximum % Change;
 - G) Minimum % Change.
 - 2) ~~All filings must be accompanied by:~~
 - A) ~~a letter of submission, in duplicate,~~
 - B) ~~the subject rates and rules, in duplicate, showing the company name and identifying the forms to which they will apply,~~
 - C) ~~a proposed effective date,~~
 - D) ~~notification as to whether the filing is new or supersedes a present filing with identification of all superseded filings.~~
- 53) The Director ~~of Insurance~~ may require the filing of statistical data and any other pertinent information necessary to determine the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, rates, forms or any combination ~~of these thereof~~. All rates and minimum premiums shall be based upon sound actuarial principles. Rates shall not be inadequate, excessive or unfairly discriminatory.
- 64) Companies under the same ownership or general management shall make separate individual filings for each company wishing to use ~~thesueh~~ material. Companies shall not file collectively as a group.
- 75) Minimum ~~premiums~~~~Premiums:A)~~ may be established for use with master policies, ~~but B)~~ shall not be used for premiums charged on certificates of insurance. Certificate holders may not be charged a premium that is greater than the premium developed by multiplying the rate times the amount of coverage provided for said certificate holder.
- c) Coverage Acceptance or Rejection ~~by~~~~By~~ Insured Certificate Holder:
- 1) ~~Insureds~~~~Such insureds~~ shall be allowed ~~fifteen (15)~~ days after receiving a certificate of insurance to determine if the coverage is to remain in effect

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

or is to be cancelled without any premium being earned.

- 2) If ~~loss~~ ~~loss(es)~~ occurs after the insured has signed an application for the coverage and before or during the ~~15~~~~above mentioned~~ ~~fifteen~~ days and the insured has not given the insurer or the master policyholder evidence of his rejection of the coverage, ~~the loss~~~~such loss(es)~~ shall be paid and the premiums shall be charged for the time coverage is in force. Making any claim during this ~~said~~ period of time constitutes acceptance of the coverage by the insured.
 - 3) If, during the ~~15~~~~fifteen~~ days following the ~~insured's~~~~insureds~~ receipt of the certificate of insurance, the insured chooses to reject the subject coverage and no loss has been claimed by ~~the~~~~said~~ insured, the coverage shall be cancelled as of its effective date and without any premium being charged. Any premium ~~that~~~~which~~ may have been paid shall, in the event of ~~such~~ rejection ~~of the coverage~~, be returned to the insured. ~~After~~ ~~cancellation~~~~Thereafter~~, no claims may be made under the subject coverage.
 - 4) Computation of earned premium for cancellation ~~by an insured certificate holder~~, other than as described ~~in this subsection (c)~~~~above~~, ~~by insured certificate holder~~, may be on a short-rate basis. ~~The~~~~Such~~ short-rate change shall not be more than ~~ten percent~~ ~~(10%)~~ in excess of the earned premium computed on a pro-rata basis.
 - 5) When coverage is revised or cancelled and rewritten, earned premium shall be computed on a pro-rata basis. Coverage shall continue without interruption and the revised or rewritten coverage shall be charged rates not to exceed those charged prior to the revision or rewriting.
- d) ~~Insurable Items and Determination of Amounts of Coverage:~~
- 1) The amounts of insurance provided applicable to items pledged as collateral for loans or purchased or sold under the terms of any closed end transaction shall be exclusive of:
 - A) ~~insurance premiums;~~
 - B) ~~interest, carrying or finance charges;~~

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- C) service charges;~~;~~
 - D) warranty charges; and;
 - E) other charges added to the net price of the items.
- 2) The ~~items~~item(s) to be insured shall only be tangible property.
- e) Revolving Charge Accounts:
The company shall maintain sufficient records to provide satisfactory evidence for the Director ~~of Insurance~~ or his or her designee to determine that for each group policy written the average amount of insurance for the debtor of each group is at least equal to or greater than the value of tangible property insured for ~~thesuch~~ debtors.

(Source: Amended at 43 Ill. Reg. 7230, effective June 13, 2019)

Section 2302.50 Severability Provision

If any Section or portion of a Section of this ~~Part~~Rule, or the applicability of that Section or portion of a Section thereof to any person or circumstances, is held invalid by a court, the remainder of ~~this Part~~the Rule or the applicability of ~~thesuch~~ provision to other persons or circumstances, shall not be affected by that determination of invalidity~~thereby~~.

(Source: Amended at 43 Ill. Reg. 7230, effective June 13, 2019)

Section 2302.60 Effective Date (Repealed)

~~This Rule shall become effective July 1, 1976.~~

(Source: Repealed at 43 Ill. Reg. 7230, effective June 13, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

Section 2302.EXHIBIT A Illinois Departmental Regulations (Repealed)

Date

To the Director of Insurance
State of Illinois

~~AUTHORIZATION TO ACCEPT REFERENCE FILINGS OF INLAND MARINE INSURANCE FORMS~~

~~The undersigned Company hereby requests that it shall be deemed to have independently submitted as its own filing the forms filed by~~

~~(Advisory Organization)~~

~~and as changed in its own filing any future change in forms filed by said Advisory Organization and approved for use in the State of Illinois, such change to become effective for this Company upon the same date as it becomes effective for said Advisory Organization's members and subscribers, unless otherwise stipulated by this Company.~~

~~This request and direction shall become effective as of the date listed below and shall remain in force until rescinded.~~

Effective Date

Exceptions, if any:

Company

Official

Title

(Source: Repealed at 43 Ill. Reg. 7230, effective June 13, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Internal Security Standards and Fidelity Bonds
- 2) Code Citation: 50 Ill. Adm. Code 3501
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
3501.5	Amendment
3501.7	New Section
3501.10	Amendment
3501.20	Amendment
3501.30	Amendment
3501.50	Amendment
3501.60	Amendment
3501.EXHIBIT A	Repealed
- 4) Statutory Authority: Implementing the Farm Mutual Insurance Act of 1986 [215 ILCS 120] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401].
- 5) Effective Date of Rules: June 13, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Department of Insurance and is available for public inspection.
- 9) Notice of Proposal published in *Illinois Register*: 42 Ill. Reg. 19595; November 9, 2018
- 10) Has JCAR issued a Statement of Objection to this Rulemaking? No
- 11) Differences between Proposal and Final Version: In Section 3501.7, in the definition of "Act", inserted "Company" between "Insurance" and "Act"; in 3501.60(b), deleted "This is a statutory requirement" and added "See Section 13 of the Act"; in 3501.60(e), changed "should" to "shall".
- 12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: Changes in the regulation of farm mutual companies are being made to Sections 3501.50 and 3501.EXHIBIT A to adjust to the evolution of fidelity and surety bonds being written on a claims-made basis rather than an occurrence basis. Also, the amounts of coverage are being transitioned to follow the NAIC examination guidelines.

The main issue has been that the rule requires a one-year discovery period, which was a common element when these bonds were written on an occurrence basis. Currently and for a number of years now, these bonds have been written on a "discovery" or claims-made basis which renders the "discovery period" language moot. With the change to a "discovery" basis, any claim which comes in while the bond is in effect will be covered by the surety bond. The change to the amount of coverage is being repealed so that the NAIC examination guidance can be used instead.

These exact standards described above that the Department wishes to apply to farm mutual companies have also been implemented for other types of companies regulated by the Department in another rulemaking for 50 Ill. Adm. Code 904.50(a). To ensure that all companies are subject to the same standards and to streamline the rulemaking process for the future, we are amending Section 3501.50 so that it incorporates the standards implemented for Section 904.50(a).

In the same vein, to provide clarification to farm mutual companies about the perils that their policies are required to cover under Section 8(6) of the Farm Mutual Insurance Company Act of 1986, the Department is adapting the language from Section 904.50(b).

Additionally, the note at the bottom of Section 3501.10 is being deleted as obsolete because farm mutual insurance companies now are allowed to invest in securities other than government bonds and obligations.

Finally, non-substantive revisions are proposed throughout this Part to improve readability, including among other things the insertion of a new Definitions section to reduce verbiage elsewhere in this Part.

- 16) Information and questions regarding these adopted rules shall be directed to:

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

Mindy Lucht
Financial Regulation Section
Department of Insurance
320 West Washington Street
Springfield IL 62767-0001

217/785-4079

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

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

TITLE 50: INSURANCE
 CHAPTER I: DEPARTMENT OF INSURANCE
 SUBCHAPTER mm: FARM MUTUAL INSURANCE COMPANY ACT OF 1986

PART 3501
 INTERNAL SECURITY STANDARDS AND FIDELITY BONDS

Section

3501.5	Introduction
3501.7	Definitions
3501.10	Registration of Securities
3501.20	Custody Care and Disposition of Securities
3501.30	Signature to Checks – Facsimile Signatures
3501.40	Bank Balance Verification
3501.50	Bond Requirements
3501.60	Records

3501.EXHIBIT A Bond Amounts For Amount of Assets [\(Repealed\)](#)

AUTHORITY: Implementing the Farm Mutual Insurance Act of 1986 [215 ILCS 120] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401].

SOURCE: Amended September 1, 1959; codified at 7 Ill. Reg. 276; old Part 5501 repealed at 20 Ill. Reg. 12797, effective September 16, 1996; Part 5301 recodified to Part 5501 at 20 Ill. Reg. 6347, effective April 19, 1996; expedited correction at 25 Ill. Reg. 15453, effective April 19, 1996; transferred from the Department of Insurance to the Department of Financial and Professional Regulation pursuant to Executive Order 2004-6 on July 1, 2004; transferred from the Department of Financial and Professional Regulation to the Department of Insurance pursuant to Executive Order 2009-4 on July 1, 2009; 50 Ill. Adm. Code 5501 recodified to 50 Ill. Adm. Code 3501 at 41 Ill. Reg. 2124; amended at 43 Ill. Reg. 7245, effective June 13, 2019.

Section 3501.5 Introduction

All ~~District, County, Township and Special Act Mutual insurance~~ companies, ~~hereinafter referred to as "such companies"~~ are hereby ~~directed and~~ required, ~~as soon after July 1, 1959 as possible,~~ by resolution of ~~their~~the Board of Directors ~~thereof~~ or other appropriate action, to conform their internal functions to the ~~following~~ minimum standards [established in this Part](#).

(Source: Amended at 43 Ill. Reg. 7245, effective June 13, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

Section 3501.7 Definitions

"Act" means the Farm Mutual Insurance Company Act of 1986 [215 ILCS 120].

"Company" means any company described in Section 1 of the Act.

"Department" means the Illinois Department of Insurance.

"Director" means the Director of the Illinois Department of Insurance.

"Security" has the meaning ascribed in Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5].

(Source: Added at 43 Ill. Reg. 7245, effective June 13, 2019)

Section 3501.10 Registration of Securities

- a) All ~~bonds, stocks, notes, shares, debentures, evidences of indebtedness, certificates of interest or participation, certificates of deposit for a security and other securities, whether negotiable or not, hereinafter referred to as "such securities"~~; belonging to or in the possession, custody or control of any ~~such~~ company shall be registered, issued to, and carried in the name of ~~thesuch~~ company except:
- 1) Securities pledged or hypothecated with ~~thesuch~~ company as security for ~~indebtednessindebtness~~ or obligations to ~~thesuch~~ company;
 - 2) Securities ~~thatwhich~~ are only issuable in bearer form, i.e., securities ~~thatwhich~~ cannot be issued in registered form;
 - 3) Securities in "custodial" accounts maintained with a bank or trust company, licensed by the United States or any state thereof, ~~thatwhich~~ ~~said bank or trust company~~ is regularly examined by the licensing authority; provided ~~the such~~ "custodial" accounts shall be the undivided responsibility of the depository and provided further that ~~thesuch~~ "custodial" account shall be established conformably with and conducted in compliance with Section 3501.20;

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

- 4) Securities in vaults or other repositories on the premises of the company, or in safe deposit boxes leased in the name of the company, access to which ~~said vaults, other depositories or safe deposit boxes,~~ is controlled as required by Section 3501.20;
- 5) Securities in street form and in the custody of a registered dealer in securities, for a period not exceeding 30 days as to any security, provided that ~~theno such~~ registered dealer in securities shall not be an officer, director, agent or employee of the owner of ~~thosesuch~~ securities and provided further that accounts with ~~registered such~~ dealers shall be established conformably with and conducted in compliance with Section 3501.20;
- 6) Money shall not be loaned to any officer, director, employee, policyholder of the company or any other individual.

~~(Note: The law limits investments in securities to U.S. Government bonds and direct obligations of the State of Illinois or its municipalities).~~

(Source: Amended at 43 Ill. Reg. 7245, effective June 13, 2019)

Section 3501.20 Custody Care and Disposition of Securities

- a) Transfer, sale, assignment or disposition of any security belonging to any ~~such~~ company, other than upon the surrender of the security~~thereof~~ for payment at maturity or under an option of the maker ~~thereof~~ to prepay the same, shall first have been authorized by the Board of Directors, or by a Board committee ~~thereof~~ charged with the duty of supervising investments and loans.
- b) Any instrument for the assignment, sale, transfer or disposition of any ~~such~~ securities and all checks or other orders for disbursement of funds of the company in connection with the purchase of any ~~such~~ securities, shall require the signature of at least two officers or employees ~~who shall have been so~~ authorized by the Board of Directors, or by a Board committee ~~thereof~~ charged with the duty of supervising investments and loans.
- c) Access to any and all vaults or other repositories on the premises of any company containing securities of the company and access to any safe deposit boxes containing ~~thosesuch~~ securities shall be limited to officers and employees

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

designated by the Board of Directors. ~~The and such~~ designation shall require that at least two of the designated persons ~~so designated shall~~ be present at the time of entry and during the access to ~~the such~~ vault, repository or safe deposit box.

- d) All securities and original records of the company shall be kept in fire resistant files or vaults.

(Source: Amended at 43 Ill. Reg. 7245, effective June 13, 2019)

Section 3501.30 Signature to Checks-Facsimile Signatures

- a) All checks; issued for the disbursement of funds belonging to ~~a such~~ company shall require the signature of at least two officers or employees of the company who ~~shall~~ have been ~~so~~ authorized by ~~its the~~ Board of Directors. ~~All of such company, and all~~ checks shall be numbered and ~~shall be~~ recorded consecutively in an original record of cash disbursements.
- b) All collections made by agents or representatives of the company must be turned over to the company at least every three months; or more often~~often~~ if the volume of cash warrants.
- c) All receipts of the company must be deposited in the bank intact in the name of the company. Receipts must not be deposited in the name of an officer of the company.
- d) Companies must retain a duplicate deposit slip covering all bank deposits and listing all checks in detail, in addition to an original record of all cash receipts.

(Source: Amended at 43 Ill. Reg. 7245, effective June 13, 2019)

Section 3501.50 Bond Requirements

- a) All ~~such~~ companies shall procure and maintain in force the surety bonds ~~on employees, officers or positions required under Section 8(6) of the Act in accordance with the standards provided in 50 Ill. Adm. Code 904.50(a), in an amount not less than the amount set forth in the column "Minimum Amount of Bond" (see Exhibit A), based on the amount of admitted assets of the company (as determined from year to year hereafter) stated in the annual statement of such company as filed with the Illinois Insurance Department. All such bonds shall be~~

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

~~written with at least a one year discovery period and if written with less than a 3 year discovery period, shall contain a provision that no cancellation or termination of the bond, whether by or at the request of the insured or by the underwriter, shall take effect prior to the expiration of 90 days after written notice of such cancellation or termination has been filed with the Illinois Department of Insurance unless an earlier date of such cancellation or termination is approved by said Department of Insurance.~~

- b) ~~Surety bonds procured or maintained under this Section shall include all persons handling company funds and all officers, directors and employees for the following perils, which may be covered under separate policies: covering affiliated and/or subsidiary companies which are substantially under the same management and control may be written to cover such affiliated and/or subsidiary companies jointly. The total admitted assets of the affiliated and/or subsidiary company having the largest total admitted assets shall be used in calculating the amount of surety cover required under subsection (a).~~
- ~~1) Dishonesty of persons handling company funds and of officers, directors and employees;~~
 - ~~2) Robbery, burglary, larceny, theft, false pretense, holdup, misplacement, mysterious disappearance, and damage or destruction while property is in any bank or any recognized place of safe deposit, or in transit; and~~
 - ~~3) Forgery or alteration.~~

(Source: Amended at 43 Ill. Reg. 7245, effective June 13, 2019)

Section 3501.60 Records

- a) Each company shall keep its books, records, documents, accounts and vouchers in such manner that its financial condition can be ascertained, ~~and so that its financial statements filed with the Director can be readily verified,~~ and its compliance with the law can be determined.
- b) The books of the company must be closed as of December 31. (See Section 13 of the Act)~~This is a statutory requirement.)~~
- c) Original records may not be destroyed without first securing authority of the

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

Director ~~of Insurance~~. (See 50 Ill. Adm. Code 3502.)

- d) A policy register ~~that~~which properly reflects all changes in the policy during its term should be maintained.
- e) Original records ~~shall~~should be kept in fire resistant files.
- f) A petty cash fund, if maintained, shall be for the payment of small bills or for making change only. Each disbursement ~~from the fund~~therefrom must be supported by a signed voucher or receipted invoice. The total of the cash, checks, and paid vouchers in the fund shall at all times equal the total of the fund as originally set up. The petty cash fund should be reimbursed at regular intervals and always on the last business day of each year.

(Source: Amended at 43 Ill. Reg. 7245, effective June 13, 2019)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENTS

Section 3501.EXHIBIT A Bond Amounts For Amount of Assets (Repealed)

TOTAL ADMITTED ASSETS		MINIMUM AMOUNT OF BOND		
Under \$100,000		\$2,000 plus 8% of total Assets		
MORE THAN:	BUT NOT MORE THAN:			
\$ 100,000	\$ 600,000	\$ 10,000 plus	4% of assets over	\$ 100,000
600,000	1,200,000	30,000 plus	3 1/3% of assets over	600,000
1,200,000	3,200,000	50,000 plus	2 1/2% of assets over	1,200,000
3,200,000	4,450,000	100,000 plus	2% of assets over	3,200,000
4,450,000	6,450,000	125,000 plus	1 1/4% of assets over	4,450,000
6,450,000	90,450,000	150,000 plus	5/8% of assets over	6,450,000
90,450,000	350,450,000	675,000 plus	3/8% of assets over	90,450,000
350,450,000	1,070,450,000	1,625,000 plus	3/16% of assets over	350,000,000
1,070,450,000	—	3,075,000 plus	3/32% of assets over	1,070,450,000
		until total bond equals \$5,000,000		

(Source: Repealed at 43 Ill. Reg. 7245, effective June 13, 2019)

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Gifted Education
- 2) Code Citation: 23 Ill. Adm. Code 227
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
227.5	New Section
227.10	Amendment
227.20	Amendment
227.25	Amendment
227.50	Amendment
227.60	New Section
- 4) Statutory Authority: 105 ILCS 5/14A-32 and 14A-55
- 5) Effective Date of Rules: June 7, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? The rules do contain incorporations by reference pursuant to Section 5-75 of the Illinois Administrative Procedure Act; see Section 227.25(b)(1).
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 42 Ill. Reg. 12920; July 6, 2018
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version:

In Section 227.5, State Board of Education clarified the following definitions:

"Accelerated Placement", "Early entrance to first grade", "Early entrance to kindergarten", "Multiple-persons" and "Multiple-referrers".

In Section 227.25, State Board of Education added a clarifying date clause.

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: PA 99-706 updated the Section of the School Code pertaining to funding gifted education programs. The PA updated the assessment methods used to identify students who are eligible for gifted education. This rulemaking will update the current references in the administrative rules to be consistent with statute.

PA 100-421 specified guidelines for school districts to develop accelerated placement policies. These policies will allow students early entrance to kindergarten or first grade, acceleration in a single subject, or grade acceleration. Under the Act, ISBE is required to adopt rules to determine data to be collected regarding accelerated placement. ISBE must also identify a method of making that information available to the public.

This rulemaking clarifies that the written policies shall indicate approaches for early entrance to both kindergarten and first grade. Data that ISBE will collect shall include demographic information (gender, ethnicity, English Learner status, special education status, free and reduced lunch/low income), and the type of placement of students who are accelerated. School districts will be required to report data on students upon identification but not later than July 31 of each year beginning with the 2018-19 school year. The data will be posted annually on the ISBE website.

- 16) Information and questions regarding these adopted rules shall be directed to:

Cara Wiley
Director, Regulatory Support and Wellness
Illinois State Board of Education
100 North First Street, S-493
Springfield IL 62777-0001

217/782-5270
rules@isbe.net

The full text of the Adopted Amendments begin on the next page:

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER f: INSTRUCTION FOR SPECIFIC STUDENT POPULATIONS

PART 227
GIFTED EDUCATION

Section

227.5	Definitions
227.10	Purpose and Applicability
227.20	Submission of Proposal; Plan
227.25	Required Qualifications
227.30	Criteria for the Review of Initial Applications
227.40	Allocation of Funds
227.50	Statewide Activities
227.60	Accelerated Placement

AUTHORITY: Implementing Article 14A of the School Code [105 ILCS 5/Art. 14A] and authorized by Sections 14A-32 and 14A-55 of the School Code [105 ILCS 5/14A-32 and 14A-55].

SOURCE: Adopted at 31 Ill. Reg. 2449, effective January 16, 2007; amended at 38 Ill. Reg. 8335, effective April 1, 2014; amended at 43 Ill. Reg. 7255, effective June 7, 2019.

Section 227.5 Definitions

"Accelerated placement" means the placement of a child in an educational setting with curriculum that is usually reserved for children who are older or in higher grades than the child. (See Section 14A-17 of the School Code.) Accelerated placement includes, but is not limited to, early entrance to kindergarten or first grade, single subject acceleration and grade acceleration. Accelerated placement is not limited to those children who have been identified as gifted and talented, but rather is open to all children who demonstrate high ability and who may benefit from accelerated placement. (See Section 14A-32 of the School Code.)

"Early entrance to kindergarten" means the admission of a student to kindergarten who (a) is assessed for and meets the admitting school district's readiness standards to attend school and will not yet be 5 years old by September 1 of that

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

school year (b) will not yet be 5 years old by September 1 of that year, or, for school districts operating on a year-round basis, will not yet be 5 years old within 30 days after the commencement of that school term. (See Section 10-20.12 of the School Code.)

"Early entrance to first grade" is the admission of a student to first grade (a) is assessed for and meets the admitting school district's readiness standards to attend school; and (term. Such a student may, but is not required to, have attended a nonpublic preschool and continued his or her education at that school through kindergarten and been taught in kindergarten by an appropriately certified teacher. Students who are younger than 6 upon starting first grade but who were admitted early to kindergarten do not need to be reevaluated prior to admission to first grade.

"Individual subject acceleration" means the practice of assigning a student to a specific content area at a higher instructional level than is typical given the student's grade for the purpose of providing access to appropriately challenging learning opportunities in one or more subject areas.

"Multiple persons" as used in Section 14A-32(a)(2) of the School Code includes, but is not limited to, the student's parent or guardian, current teachers, district gifted coordinator or gifted education specialist, guidance counselor, principal, and school psychologist.

"Multiple referrers" as used in Section 14A-32(b)(2) of the school Code includes, but is not limited to, the student's parents or guardian, current teachers, district gifted coordinator or gifted education specialist, guidance counselor, principal, and school psychologist. Multiple referrers does not mean more than one person has to refer the student to begin the assessment process.

"School Code" means 105 ILCS 5.

"Whole grade acceleration" means the practice of assigning a student to a higher grade level than is typical given the student's age on a full-time basis for the purpose of providing access to appropriately challenging learning opportunities.

(Source: Added at 43 Ill. Reg. 7255, effective June 7, 2019)

Section 227.10 Purpose and Applicability

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

This Part establishes the procedure and criteria for approval by the State Board of Education of programs of gifted education under Article 14A of the School Code ~~[105 ILCS 5/Art. 14A]~~ and implements other provisions of that Article, including accelerated placement. The requirements of this Part apply only to locally developed programs for which State funding is sought. Eligible applicants shall be those entities identified in Section 14A-45 of the School Code ~~[105 ILCS 5/14A-45]~~ as well as public university laboratory schools (see 105 ILCS 5/2-3.109a) ~~approved by the State Board of Education pursuant to Section 18-8.05(K) of the School Code [105 ILCS 5/18-8.05(K)]~~, charter schools (see 105 ILCS 5/27A-11.5), and area vocational centers (see 105 ILCS 5/2-3.109b).

(Source: Amended at 43 Ill. Reg. 7255, effective June 7, 2019)

Section 227.20 Submission of Proposal; Plan

As used in this Part, a "proposal" means the plan for gifted education that is required under Section 14A-30 of the School Code ~~[105 ILCS 5/14A-30]~~, accompanied by the additional materials applicants will be required to submit in response to a Request for Proposals (RFP) as described in Section 14A-45 of the School Code ~~[105 ILCS 5/14A-45]~~ and this Section.

- a) When sufficient State funding is expected to be available to support local programs of gifted education, the State Superintendent of Education shall issue an a Request for Proposals (RFP). To be considered for funding, an eligible entity shall submit for approval by the State Superintendent a plan for its program that incorporates all the elements required by Section 14A-30 of the School Code and meets the specific requirements of this subsection (a).
 - 1) In order to demonstrate compliance with Section 14A-30(2) of the School Code ~~[105 ILCS 5/14A-30(2)]~~, each plan shall include programs of instruction in English language arts and mathematics and may include programs of instruction in additional subjects. Each plan shall indicate whether the program will be unified across the subjects offered or students will be identified gifted on a subject-by-subject basis and shall provide a description of the curriculum and instructional materials to be used, the grades to be served in the various subjects to be offered, and the program's approach to the development of higher-level skills, as required by Section 14A-30(11) and (12) of the School Code ~~[105 ILCS 5/14A-30(11) and (12)]~~.

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- 2) In order to demonstrate compliance with the requirements of Section 14A-30 of the School Code related to identification of the students to be served, each plan shall:
- A) demonstrate that:
 - i) active consideration is given to the potential eligibility of students who are identified as having disabilities~~three or more assessment measures will be used for each student;~~
 - ii) multiple assessment instruments will be used for the purposes of identifying a student for accelerated placement of each eligible student~~these will include instruments designed to help identify gifted and talented students who are members of underrepresented groups; and~~
 - iii) a selection process designed to help identify gifted and talented students in an inclusive and equitable manner who are members of underrepresented groups, including low-income students, minority students, students with disabilities, twice-exceptional students, and English Learners~~active consideration is given to the potential eligibility of students who are identified as having disabilities;~~
 - B) provide evidence that the measures to be used in each curricular area, when taken together, provide equivalent rigor in the identification of students as gifted and talented; and
 - C) discuss how the measures to be used in each subject area correspond to the level of attainment prerequisite to students' participation in the program.
- 3) ~~In order to demonstrate compliance with Section 14A-20 of the School Code [105 ILCS 5/14A-20], each plan shall describe the method by which students' scores on the assessment measures used in each subject area, or across subject areas, as applicable, will be treated to arrive at a composite ranking that identifies the students who have scored in the top 5 percent locally.~~4) In order to demonstrate compliance with Sections 14A-25 and

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

14A-30(7) of the School Code ~~[105 ILCS 5/14A-25 and 14A-30(7)]~~, each plan shall include evidence that:

- A) the ranking process for each subject area, or across subject areas, as applicable, is applied in the same manner to the scores achieved by all students;
- B) if any program's capacity is inadequate to serve the entire number of students identified as eligible, the method of selecting those who will participate considers only the composite scores and their ranking;
- C) the applicant has a procedure for accommodating students who were not available when the relevant assessment measures were administered but who may be eligible to participate in the program; ~~and~~
- D) in identifying the locations where the program will be offered, consideration has been given to the needs of students who are members of underrepresented groups; ~~and~~;
- E) local norms of score ranges on assessments are taken into consideration when identifying students for accelerated placement.

45) In order to demonstrate compliance with the requirement of Section 14A-30(8) of the School Code ~~[105 ILCS 5/14A-30(8)]~~, each plan shall describe the appeals process that will be available when students are not identified as gifted and talented or are not selected to be served by a program, including evidence that each appeal will be considered:

- A) by an individual not involved in the original decision and at an equal or higher level of authority within the applicant organization;
- B) using information in accordance with the requirements of ~~subsections (a)(3) and (4) of this Section~~; and
- C) in time for the student to be placed into the program at the beginning of the next semester, if the appeal results in the student's identification and selection.

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- 56) In order to demonstrate compliance with the requirement of Section 14A-30(16) of the School Code ~~[105 ILCS 5/14A-30(16)]~~, each plan shall identify the qualifications held by the teachers who will be assigned to the program, provided that:
- A) each teacher employed shall be qualified under Section 227.25 ~~of this Part~~ after no more than three years of teaching in any program funded pursuant to this Part; and
 - B) each teacher not qualified under Section 227.25 ~~of this Part~~ shall complete some portion of the requirements chosen during each year of the grace period permitted under subsection (a)(6)(A) ~~of this Section~~.
- 67) In order to demonstrate compliance with Section 14A-30(9) of the School Code ~~[105 ILCS 5/14A-30(9)]~~, each plan shall:
- A) describe the steps the applicant will take to inform parents and other members of the public of:
 - i) the existence and scope of the program;
 - ii) the methods used for identifying students who are gifted and talented and in selecting participants for the program; and
 - iii) the availability of the appeals process established pursuant to subsection (a) ~~(45) of this Section~~; and
 - B) provide a rationale for the applicant's outreach plans, with specific reference to the linguistic or cultural needs of any segments of the population that may not be readily informed of the program.
- b) Each RFP shall describe the format that applicants will be required to follow and any additional information they may be required to submit.
- c) Each RFP shall include a budget summary and payment schedule, as well as requiring a narrative budget breakdown, i.e., a detailed explanation of each line

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

item of expenditure that discusses the need for State funds in the context of the applicant's other available resources.

- d) Each RFP shall identify the data recipients will be required to collect and report regarding the achievement of students participating in the program, as well as any other information to be reported and the associated timelines.
- e) Each RFP shall include such certification and assurance forms as the State Superintendent may, by law, require.
- f) Each RFP shall specify the date by which applications shall be submitted. The deadline established shall provide at least 45 days in which to submit plans that conform to the requirements of Article 14A of the School Code and this Part as applications for funding.
- g) Separate proposals for renewal of funding as discussed in Section 227.40(b) ~~of this Part~~ shall be invited and shall contain at least:
 - 1) evidence that the program has complied with all aspects of Article 14A of the School Code and the approved plan;
 - 2) the required data relative to students' achievement and growth;
 - 3) information on the qualifications and professional development of the teachers employed that will permit verification of compliance with the requirements of ~~subsection (a)(5) of this Part~~ Section 227.20(a)(5);
 - 4) an updated narrative that discusses the services and materials for which funding is requested and presents evidence of continued need for State support; and
 - 5) an updated budget summary and payment schedule for the renewal year, including a narrative budget breakdown.
- h) Incomplete applications shall not be considered.

(Source: Amended at 43 Ill. Reg. 7255, effective June 7, 2019)

Section 227.25 Required Qualifications

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

As a means of demonstrating that he or she *understands the characteristics and educational needs of children and is able to differentiate the curriculum and apply instructional methods to meet the needs of the children* as required by Section 14A-30(16) of the School Code ~~105 ILCS 14A-30(16)~~, and subject to the provisions of Section 227.20(a)(6) of this Part, each teacher who is assigned to provide instruction in a program funded pursuant to this Part shall have completed, or shall be required to complete at least one of the following:

- a) Nine semester hours of college credit from a regionally accredited institution of higher education and demonstrably related to the education of gifted and talented students; ~~or~~
- b) Both the State and national assessment instruments, namely:
 - 1) the self-assessment developed by the Illinois Association for Gifted Children (IAGC) (which shall be based on the "Professional Teaching Standards for Educators Working with Gifted/Talented Learners" (2012), published by IAGC, 800 E. Northwest Highway, Suite 610, Palatine IL, ~~Illinois~~ 60074 and posted at www.iagcgifted.org; no later editions of or revisions to these standards are incorporated) with a rating of "experienced" or "expert" earned before November 15, 2018; and
 - 2) the National Evaluation Series (NES) Gifted Education examination (Test Code 312; Pearson Education, Inc., PO Box 226, Amherst MA 01004 (2014))~~the PRAXIS examination for gifted education (Test Code 0357, Educational Testing Service, Rosedale Road, Princeton, New Jersey 08541 (2006))~~; ~~or~~
- c) Six semester hours of college credit from a regionally accredited institution of higher education and demonstrably related to the education of gifted and talented students and any one of the following additional choices:
 - 1) the self-assessment referred to in subsection (b)(1); or
 - 2) the Gifted Education~~PRAXIS~~ examination referred to in subsection (b)(2); or
 - 3) the applicable gifted education course of instruction offered by the State Board of Education in cooperation with IAGC:

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- A) for those successfully completing the course before October 1, 2009, the Gifted Education Institute; or
- B) for those successfully completing the course on or after October 1, 2009, the Gifted Education Seminar; or
- 4) two years of experience teaching in, coordinating, or directing a program for gifted students; or
- 5) participation in no fewer than two ~~State~~ or national conferences on gifted education, such as those offered by IAGC or the National Association for Gifted Children ~~(NAGC)~~; or
- 6) professional development activities demonstrably related to the education of gifted and talented students that are sufficient to generate 30 continuing professional development units (CPDUs) or 30 clock hours of professional development, as defined and quantified in the rules for educator license renewal (see 23 Ill. Adm. Code 25, Subpart J); ~~or~~
- d) Three semester hours of college credit from a regionally accredited institution of higher education and demonstrably related to the education of gifted and talented students and any two of the additional choices listed in subsections (c)(1) through (6) ~~of this Section~~; ~~or~~
- e) The gifted education training referred to in subsection (c)(3) and any two of the additional choices listed in subsection (c); ~~or~~
- f) Coursework that leads to obtaining a gifted teacher endorsement; or
- g) Coursework that leads to obtaining a gifted specialist endorsement.

(Source: Amended at 43 Ill. Reg. 7255, effective June 7, 2019)

Section 227.50 Statewide Activities

- a) Funding made available pursuant to Article 14A of the School Code may be used by the State Board of Education for purposes including, but not limited to:

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- 1) upgrading professional development materials and events for personnel statewide who serve gifted students, including the Gifted Education ~~Seminar~~Institute referenced in Section 227.25 ~~of this Part~~, or making professional development materials and opportunities more widely available;
 - 2) reaching underserved demographic groups or geographic areas of the State;
 - 3) developing and disseminating new knowledge in this field;
 - 4) developing and disseminating materials for use by parents of gifted students;
 - 5) building awareness of and support for gifted education;
 - 6) providing financial resources to support the review of portfolios developed by teachers to demonstrate required qualifications;
 - 7) supporting the administrative functions of ~~the State Board~~ISBE required or authorized pursuant to Section 14A-35 of the School Code ~~[105 ILCS 14A-35]~~; and
 - 8) other experimental projects and initiatives as outlined in Section 14A-50 of the School Code ~~[105 ILCS 5/14A-50]~~.
- b) When the funds appropriated under Article 14A of the School Code are sufficient to provide effective support for local programs of gifted education, the State Superintendent ~~of Education~~ may reserve no more than 5 percent of the amount appropriated for the purposes discussed in subsection (a) of this Section. When the State Superintendent ~~of Education~~ determines that the level of service to gifted and talented students statewide can more effectively be increased through statewide activities rather than through support for a small number of local programs, the State Superintendent may devote the entire amount available to these purposes.

(Source: Amended at 43 Ill. Reg. 7255, effective June 7, 2019)

Section 227.60 Accelerated Placement

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

Pursuant to Section 14A-32 of the School Code, school districts shall have a policy that allows for accelerated placement. (See Section 14A-32 of the School Code.) In writing its policy, each school district shall indicate approaches used to identify students for accelerated placement in both kindergarten and first grade.

- a) A school district shall not be required to submit its acceleration plan to the State Board of Education for review, comment or approval, unless specifically requested by the State Board. A school district shall post its acceleration plan on its website, if available.
- b) School districts must report the following information on accelerated placement to the State Board in the Student Information System:
 - 1) Demographic Information for Each Student Participating in an Accelerated Placement Program
 - A) Gender;
 - B) Ethnicity;
 - C) English language status;
 - D) Special education status; and
 - F) Low-income status
 - 2) Student Participation in Accelerated Programming
 - A) Gender;
 - B) Ethnicity;
 - C) English language status;
 - D) Special education status; and
 - F) Low-income status

STATE BOARD OF EDUCATION

NOTICE OF ADOPTED AMENDMENTS

- 3) Type of Placement
- A) Early entrance to kindergarten;
 - B) Early entrance to first grade;
 - C) Individual subject acceleration; and
 - D) Whole grade acceleration.
- c) All of the information required to be reported in subsection (b) shall be entered upon identifying the student as participating in accelerated placement but not later than July 31 of each year beginning with the 2018-2019 school year.
- d) The State Board will make the information reported in subsection (b) available annually on its website.

(Source: Added at 43 Ill. Reg. 7255, effective June 7, 2019)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: General Provisions
- 2) Code Citation: 23 Ill. Adm. Code 2700
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
2700.15	Amendment
2700.30	Amendment
2700.50	Amendment
- 4) Statutory Authority: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 100 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher education Student Assistance Act [110 ILCS 947/20(f)].
- 5) Effective Date of Rules: July 1, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 1743; February 8, 2019
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposed and Final Version: None
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC seeks to allow the audits to be scheduled using a risk based approach and considering available resources.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- 16) Information and questions regarding these adopted rules shall be directed to:

Jackie Eckley
Agency Rules Coordinator
Illinois Student Assistance Commission
500 West Monroe, 3rd Floor
Springfield IL 62704

217/782.5161
jackie.eckley@illinois.gov

The full text of the Adopted Amendment begins on the next page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2700
GENERAL PROVISIONS

Section

2700.10	Summary and Purpose
2700.15	Incorporations by Reference
2700.20	Definitions
2700.30	General Institutional Eligibility Requirements
2700.40	General Applicant Eligibility Requirements
2700.50	Determining Applicant Eligibility
2700.55	Use, Security and Confidentiality of Information
2700.60	Audits and Investigations
2700.70	Appeal Procedures
2700.80	Contractual Agreement Requirements

AUTHORITY: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. 11066, effective July 18, 1997; amended at 22 Ill. Reg. 11072, effective July 1, 1998; amended at 23 Ill. Reg. 7550, effective July 1, 1999; amended at 24 Ill. Reg. 9121, effective July 1, 2000; amended at 25 Ill. Reg. 8383, effective July 1, 2001; amended at 26 Ill. Reg. 9980, effective July 1, 2002; amended at 27 Ill. Reg. 10320, effective July 1, 2003; amended at 29 Ill. Reg. 9884, effective July 1, 2005; amended at 30 Ill. Reg. 11600, effective July 1, 2006; amended at 31 Ill. Reg. 9478, effective July 1, 2007; amended at 32 Ill. Reg.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

10269, effective July 1, 2008; amended at 33 Ill. Reg. 9742, effective July 1, 2009; amended at 34 Ill. Reg. 8543, effective July 1, 2010; amended at 37 Ill. Reg. 9497, effective July 1, 2013; amended at 38 Ill. Reg. 13356, effective July 1, 2014; amended at 39 Ill. Reg. 8390, effective July 1, 2015; amended at 40 Ill. Reg. 1963, effective January 7, 2016; amended at 43 Ill. Reg. 7269, effective July 1, 2019.

Section 2700.15 Incorporations by Reference

- a) The Commission incorporates by reference 34 CFR 600, 668, 674, 675, 676, 682, 685 and 690 (July 1, ~~2019~~[2014](#)). No incorporation by reference in this Section includes any later amendment or edition beyond the date stated. The Code of Federal Regulations is available online.
- b) Copies of the appropriate material are available for inspection at the Illinois Student Assistance Commission offices at:

1755 Lake Cook Road, Deerfield IL 60015-5209

500 West Monroe, Springfield IL 62704-1876

100 West Randolph, Suite 3-200, Chicago IL 60601-3219

(Source: Amended at 43 Ill. Reg. 7269, effective July 1, 2019)

Section 2700.30 General Institutional Eligibility Requirements

- a) ISAC Program Participation Agreement
 - 1) All institutions shall execute an ISAC Program Participation Agreement in order to participate in ISAC gift assistance programs.
 - 2) The ISAC Program Participation Agreement shall identify the ISAC programs under which the institution's students may receive benefits.
 - 3) The ISAC Program Participation Agreement shall include provisions requiring institutions to comply with statutes, federal regulations and State rules.
 - 4) The ISAC Program Participation Agreement may be modified or

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

terminated in accordance with 23 Ill. Adm. Code 2790, Limitation, Suspension or Termination Proceedings.

- b) With respect to ISAC student assistance programs, institutions shall develop and maintain procedures to verify the consistency and accuracy of information received from their enrolled recipients.
- c) Institutions shall be subject to possible limitation, suspension or termination of eligibility for failure to comply with statutes, regulations, rules or procedures and for failure to maintain the standards required by this Section for initial participation. (See 23 Ill. Adm. Code 2790.)
- d) Postsecondary institutions that participate in gift assistance programs shall annually submit to ISAC a copy of their tuition refund policy. [TheSuch](#) submissions shall not be considered ISAC approval of [thesueh](#) policies.
- e) Postsecondary institutions that participate in MAP are required to have in place or establish a program, determined by the institution, that is intended to improve MAP recipients' success, retention and completion in higher education at that institution. Institutions shall annually submit to ISAC retention, completion and graduation rate data as well as advising and support program information. This information is intended to enhance ISAC's ability to evaluate and improve MAP effectiveness.
- f) Postsecondary institutions that participate in gift assistance programs shall annually report their tuition and fee charges, as well as initial MAP advance payment requests, to ISAC on or before June 1 preceding each academic year.
 - 1) Failure to report any cost changes by the deadline will cause the prior year's charges to be used as part of the calculation process for gift assistance benefits. Failure to report the assessment of a fee charge by the deadline will result in that fee charge being ineligible for payment under ISAC gift assistance programs.
 - 2) The report shall match specific fee charges with the gift assistance programs that may finance the fee. [TheseSuch](#) categorizations by the institution shall not be considered ISAC approval.
 - 3) The Illinois National Guard Grant and the Illinois Veteran Grant (IVG)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

Programs may finance only a portion of certain fee charges. (See 23 Ill. Adm. Code 2730.30(a) and 2733.30(e).)

- A) Example: One fee finances both tuition and text book expenses. Only the portion of the fee that is attributable to tuition expenses may be financed with program benefits.
 - B) Institutions with such a fee shall certify what percentage of the fee is eligible to be financed with program benefits. Certification shall be performed by the institution's chief fiscal officer.
- g) Institutions shall submit additional reports, data and information to ISAC as may be requested. These inquiries include, but are not limited to, surveys, enrollment confirmations and evaluation instruments.
- h) Annually Provided Information
- 1) Public universities or community colleges that enroll students who are eligible to receive financial aid, and that receive education loan information for a student enrolled in that institution, are required to annually (on a date determined by the institution) provide to the student or parent or guardian (whichever may be appropriate based on adherence to applicable privacy laws) the following information:
 - A) an estimate of the total amount of education loans taken out by the student or parent or guardian;
 - B) an estimate of the potential payoff amount of the incurred education loans or a range of the total payoff amount, and monthly repayment amounts that a similarly situated borrower may incur for the amount of loans the student or the parent or the guardian has taken out at the time the information is provided, including principal and interest amounts;
 - C) the percentage of the borrowing limit the student or parent or guardian has reached at the time the information is provided; and
 - D) any financial resources available to the student or the parent or guardian.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- 2) *The information provided under this subsection (h) may include a statement that the estimates and ranges are general in nature and are not meant as a guarantee or promise of the actual projected amount.*
 - 3) *In this subsection (h) education loan means any State or federal education loan or other loan that is used primarily to finance a postsecondary education and cost of attendance at a public university or community college. [110 ILCS 947/83]*
- i) Additional institutional eligibility requirements are contained in subsequent Parts of ISAC's rules.
- ii) Postsecondary institutions may apply to participate in ISAC-guaranteed loan programs in accordance with 23 Ill. Adm. Code 2720.
- kj) Postsecondary institutions may apply to participate in ISAC gift assistance programs in accordance with this subsection (kj).
- 1) The Commission approves participation in ISAC gift assistance programs for an institution rather than for specific academic programs within an institution.
 - 2) Prior to applying for participation in ISAC gift assistance programs, the institutional applicant must have authority to operate a postsecondary institution in Illinois. (See 23 Ill. Adm. Code 1030.)
 - 3) Institutional applicants that are fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and have degree-granting authority may be approved to participate in ISAC gift assistance programs provided the institution meets and maintains the requirements of subsections (kj)(4)(C) and (D).
 - 4) Public or private not for profit institutional applicants that do not meet the requirements of subsection (kj)(3) may be approved to participate in ISAC gift assistance programs if the institution has:
 - A) obtained candidate status for the Higher Learning Commission of the North Central Association of Colleges and Schools

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

accreditation.

- B) applied for and is seeking degree-granting authority.
 - C) obtained at least 3 letters indicating the transferability of academic credit from the applicant institution to other institutions. The letters must be from institutions that are approved to participate in the Monetary Award Program (MAP) and are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.
 - D) an adequate number of qualified persons to administer their responsibilities under ISAC's rules for gift assistance programs. In determining whether an institution employs an adequate number of qualified persons, the Commission considers the number of students aided, the number of programs in which the institution participates, the number of applications evaluated, the amount of funds administered, and the financial aid delivery system used by the institution.
- 5) Institutional applicants must also supply ISAC with audited financial statements, prepared by an independent third party in accordance with generally accepted accounting principles, to establish financial responsibility. (See, e.g., 34 CFR 668.15.)
- 6) Once approved to participate in ISAC gift assistance programs by the Commission, an institution shall receive provisional eligibility for a minimum of 5 academic years. An institution with provisional eligibility must petition the Commission for full eligibility. Full eligibility will be granted if the institution meets the requirements of subsection (k)(3) and if there are no outstanding audit exceptions.
- l) As a condition of eligibility for participation in ISAC student assistance programs, postsecondary institutions shall have a valid Program Participation Agreement with ED (see section 487 of the HEA (20 USC 1094)) and shall report their Office of Postsecondary Education Identification (OPE-ID) number to ISAC.
- m) In order to begin and to continue participation in ISAC-administered student assistance programs, institutions must also demonstrate administrative capability

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

and financial responsibility, as defined by federal regulations. (See, e.g., 34 CFR 668.15 and 668.16.) An institution's failure to meet and maintain those standards can lead to limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)

- nm) Institutions that have been assigned multiple main OPE-ID numbers will be considered separate entities by ISAC. Different campus codes associated with the same main OPE-ID number will not be considered separate entities.
- on) An institution shall notify ISAC of its Federal Employer Identification Number (FEIN) in order to receive payment pursuant to any ISAC-administered program.
- pe) When an approved institution has a change of ownership resulting in a change of control, a change of location, or a change of name as defined by federal regulations, the institution's Program Participation Agreement with ED may be terminated. After an institution has undergone a change of status affecting its participation in any Title IV federal student financial aid programs, the institution may have its eligibility with ISAC reinstated by the execution of a new Program Participation Agreement with ED (see, e.g., 34 CFR 600.31 et seq.) and by the submission and Commission approval of a new application for participation with ISAC.

(Source: Amended at 43 Ill. Reg. 7269, effective July 1, 2019)

Section 2700.50 Determining Applicant Eligibility

- a) The evaluation of applicant eligibility is the responsibility of both ISAC and the institution.
- b) No applicant is announced eligible for assistance by ISAC unless the application establishes prima facie eligibility. ISAC consults with other appropriate State and federal agencies in the process of reviewing application data. These agencies include, but are not limited to, the U.S. Department of Education (ED), U.S. Internal Revenue Service (IRS), U.S. Citizenship and Immigration Services Bureau (USCIS), Illinois Department of Healthcare and Family Services, Illinois Department of Revenue, and Illinois Department of Children and Family Services.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- c) Institutions shall determine (in accordance with ISAC's rules or federal regulations) whether an applicant is eligible for ISAC gift assistance based upon enrollment in a particular academic program and the eligibility criteria of the ISAC gift assistance being sought.
- d) Specific eligibility criteria for each ISAC gift assistance program can be found in its respective Section of this Part.
- e) The institution is required to verify the residency of all applicants to ISAC gift assistance programs for which Illinois residency is a requirement.
 - 1) An institution is not required to verify residency if:
 - A) The applicant received payment of a MAP award during the previous academic year; or
 - B) The applicant was enrolled in an ISAC-approved MAP institution or an ISAC-approved Illinois high school (see Section 2700.30) for the preceding consecutive 12 months prior to the start of the academic year for which assistance is requested.
 - 2) Notwithstanding the exceptions named in subsection (e)(1), the institution shall verify residency:
 - A) When an applicant has changed dependency status during the academic year to become an independent student; or
 - B) If the institution has any information that indicates the applicant may not be a resident of Illinois.
 - 3) Data from one or more of the documents listed in this subsection (e)(3) may provide proof that an applicant (or parent) is an Illinois resident, as defined in Section 2700.20. The institution may choose to request documents that are in addition to, or instead of, those listed. For an independent student applicant, the dates recorded on the documents must indicate the applicant has resided in Illinois for the relevant 12 continuous, full months.
 - A) A valid State of Illinois tax return or federal tax transcript

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- B) Illinois high school or college transcript
 - C) Illinois driver's license
 - D) Utility or rent bills in the applicant's (or parent's) name
 - E) Illinois auto registration card
 - F) Residential lease in the applicant's (or parent's) name
 - G) Wage and tax statements (IRS Form W-2)
 - H) Statement of benefits history from the Illinois Department of Healthcare and Family Services
 - I) State of Illinois identification card issued by the Secretary of State
 - J) Statement of benefits from the Illinois Department of Employment Security
 - K) Statement of benefits from the Social Security Administration
 - L) Illinois voter's registration card
 - M) Property tax bill
 - N) IRS Form 1099-Miscellaneous Income Statements
- 4) If an applicant is a resident of Illinois, but the institution cannot document this fact, the applicant or the institution may verify residency through ISAC's appeal process. (See Section 2700.70.)
- f) For all other eligibility criteria, if the institution has any information that indicates that the applicant does not meet the eligibility requirements of ISAC-administered programs, or if an applicant is selected for verification in conjunction with federal student assistance, that applicant shall be verified for ISAC-administered programs. A selected applicant must be verified for ISAC programs even if the applicant is ineligible for federal student assistance.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

- g) By requesting payment for ISAC gift assistance programs, the postsecondary institution is certifying that the applicants are eligible for the assistance being sought.
- h) If an institution subsequently determines a student is no longer eligible for all or part of the awarded assistance, the institution must inform ISAC and submit the appropriate refund within 60 days after the receipt of payment or the end of a term, whichever is later.
- i) Institutions may request first term payment even though verification is not yet complete. If, after verification, an ISAC payment adjustment is appropriate, institutions must submit the appropriate refund. If verification is not completed within 60 days after the conclusion of the regular school year, the institution shall return the first term payment to ISAC. For other than the first term of eligibility in an academic year, the verification process must be completed before the institution may request payment.
- j) When an institution adjusts an applicant's eligibility pursuant to Title IV, Part F, of the Higher Education Act of 1965, as amended (20 USC 1087kk et seq.), the institution shall retain documentation that demonstrates the appropriateness of the adjustment.
- k) If an institution erroneously certifies an applicant to be eligible, or a student is otherwise determined to be ineligible for ISAC gift assistance programs, ISAC will recover the erroneous payment from the institution.

(Source: Amended at 43 Ill. Reg. 7269, effective July 1, 2019)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Monetary Award Program (MAP)
- 2) Code Citation: 23 Ill. Adm. Code 2735
- 3) Section Number: 2735.30 Adopted Action:
Amendment
- 4) Statutory Authority: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].
- 5) Effective Date of Rule: July 1, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of this adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 1755; February 8, 2019
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposed and Final Version: None
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC seeks to allow the audits to be scheduled using a risk based approach and considering available resources.
- 16) Information and questions regarding this adopted rule shall be directed to:

Jackie Eckley
Agency Rules Coordinator

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

Illinois Student Assistance Commission
500 West Monroe, 3rd Floor
Springfield IL 62704

217/782.5161
jackie.eckley@illinois.gov

The full text of the Adopted Amendment begins on the next page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2735
MONETARY AWARD PROGRAM (MAP)

Section

2735.10	Summary and Purpose
2735.20	Applicant Eligibility
2735.30	Program Procedures
2735.35	Dislocated Workers
2735.40	Institutional Procedures
2735.50	Advance Payment Option
2735.60	Contractual Agreement Requirements (Repealed)

2735.APPENDIX A Advance Payment Formula

AUTHORITY: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20857, effective January 1, 1986; amended at 11 Ill. Reg. 3225, effective January 29, 1987; amended at 11 Ill. Reg. 14134, effective August 10, 1987; amended at 12 Ill. Reg. 11546, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1735 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2735 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17864; amended at 14 Ill. Reg. 7242, effective May 1, 1990, amended at 16 Ill. Reg. 11296, effective July 1, 1992; emergency amendment at 16 Ill. Reg. 19237, effective November 23, 1992, for a maximum of 150 days; emergency expired on April 22, 1993; emergency amendment at 17 Ill. Reg. 6672, effective April 15, 1993, for a maximum of 150 days; emergency expired on September 18, 1993; amended at 17 Ill. Reg. 10596, effective July 1, 1993; amended at 17 Ill. Reg. 22576, effective January 1, 1994; amended at 19 Ill. Reg. 8369, effective July 1, 1995; amended at 20 Ill. Reg. 9227, effective July 1, 1996; old Part repealed, new Part adopted at 21 Ill. Reg. 11184, effective July 18, 1997; amended at 22 Ill. Reg. 11149, effective July 1, 1998; amended at 23 Ill. Reg. 7592, effective July 1, 1999; amended at 24 Ill. Reg. 9187, effective July 1, 2000; amended at 25 Ill. Reg. 8424, effective July 1, 2001; amended at 26 Ill. Reg. 10024, effective July 1, 2002; amended at 27 Ill. Reg. 10349, effective July 1, 2003; amended at 28 Ill. Reg. 10043, effective July 15, 2004; amended at 29 Ill. Reg. 9920, effective July 1, 2005; amended at 30 Ill. Reg. 11654, effective July 1, 2006; amended at 36 Ill. Reg. 9432, effective

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

July 1, 2012; amended at 37 Ill. Reg. 9528, effective July 1, 2013; amended at 39 Ill. Reg. 8434, effective July 1, 2015; amended at 43 Ill. Reg. 7281, effective July 1, 2019.

Section 2735.30 Program Procedures

- a) An application for a MAP grant must be submitted annually. An applicant uses the form which the United States Department of Education (ED) designates as an application form for federal student financial aid. (See ~~section~~Section 483 of the Higher Education Act of 1965, as amended (20 USC 1070a).)
- b) Applicants, spouses and the parents of applicants are required to submit financial information on the application that will be kept confidential, regarding income, asset value and non-taxable income.
- c) ~~Priority~~ Deadline Date for Renewing Applicants~~Consideration Dates~~
No later than September 30, the Commission will annually publish a priority deadline date for renewing applicants. In this subsection (c), renewing applicant means a student attending an institution of higher learning who received a MAP grant during the prior academic year. [110 ILCS 947/35] Subject to appropriation, a renewing applicant who files by the published priority deadline date shall receive a grant if he or she continues to meet the program's eligibility requirements under this Section. A renewing applicant's failure to apply by the priority deadline date would not disqualify an applicant from receiving a grant if sufficient funding is available to provide awards after that date. In order to receive priority consideration for a full year award, an application from a student who had applied for a MAP grant for the previous regular school year must have a FAFSA receipt date of no later than August 15 of, or immediately prior to, the regular school year for which the application is being made. In order to receive priority consideration for a full year award, an application from a student who had not applied for a MAP grant for the previous regular school year must have a FAFSA receipt date of no later than September 30 of the regular school year for which the application is being made.
- d) Priority Processing Guidelines
 - 1) ~~Students who file applications will be considered for full or partial year MAP awards based on available funds and the following:~~
 - A) ~~For applications with a FAFSA receipt date of no later than August~~

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

~~15 of or preceding the regular school year for which assistance is being requested, students who had not applied for a MAP award the previous regular school year and students who did apply for a MAP award the previous regular school year will both be considered for full year awards;~~

~~B) For applications with a FAFSA receipt date of August 16 or later, but no later than September 30, students who had not applied for MAP awards the previous regular school year will be considered for full year awards; while students who did apply for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only;~~

~~C) For applications with a FAFSA receipt date of October 1 or later, and until the date of final suspension of award announcements for that regular school year, all students will be considered for second semester/second and third quarter awards only.~~

- ~~d2) Awards~~ During the time periods referenced above, awards will be announced concurrently, both to students who had not ~~received~~ applied for a MAP award the previous regular school year and to students who did ~~receive~~ apply for a MAP award during the previous regular school year. Award announcements will be made concurrently through the date of suspension of award announcements.
- ~~e3) If it becomes necessary to suspend the processing of award announcements in order to remain within appropriated funding levels, the suspension will be applied concurrently to students who had not ~~received~~ applied for a MAP award for the previous regular school year and to students who did ~~receive~~ apply for a MAP award the previous regular school year.~~
- ~~f4) Corrections to applications received prior to the final suspension of award announcements will be processed and announced up to two months after the final suspension date or until the completion of the processing cycle, whichever comes first.~~
- ~~e) Students eligible for second semester/second and third quarter awards who have a FAFSA receipt date of August 16 or later and who are graduating mid-year may request that their second semester/second or third quarter award be used for first semester/quarter.~~

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

- f) ~~To the extent necessary to administer the program within the limits of the MAP appropriation, the Commission may adjust the priority consideration dates and the priority processing guidelines established by this Section.~~
- g) When an application is incomplete, a notice will be sent to the applicant. The applicant then has an opportunity to furnish the missing information; however, depending on processing schedules, the applicant may be considered only for subsequent term awards.
- h) Applicants are informed that they are MAP recipients on the basis of application data supplied to ISAC. ISAC will recalculate awards for those applicants whose applications are not in basic agreement with their financial records, after receipt of corrected data. All announced MAP recipients are subject to verification.
- i) The Commission shall annually establish and publicize guidelines for the release of or increase in MAP awards as additional funds become available.
- j) MAP grants are applicable only toward tuition and mandatory fees. MAP grants may not exceed the:
- 1) maximum award specified at [Section 35\(c\) of the Higher Education Student Assistance Act \[110 ILCS 947\]](#)/~~35(e)~~; or
 - 2) institution's tuition and mandatory fee charges on file with ISAC.
- k) The maximum MAP grant available to a recipient attending a public community college is limited to the in-district tuition and mandatory fees. It is the recipient's responsibility to make arrangements to pay the additional costs incurred as an out-of-district student.
- l) For each credit hour of MAP benefits paid on behalf of the recipient, the recipient will be assessed one MAP paid credit hour toward his or her maximum usage. For each credit hour used, payment will be made to the school on behalf of the recipient in an amount equal to $\frac{1}{15}$ of the student's calculated term award amount, with a minimum of three hours and a maximum of 15 hours paid per term.
- m) A recipient may receive the equivalent of 135 semester credit hours of MAP benefits paid. Eligibility may be extended for one additional term if the recipient

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

has accumulated fewer than 135 MAP paid credit hours but does not have enough credit hours of payment remaining for the number of hours for which he or she is enrolled for the term.

- n) A recipient may use no more than 75 MAP paid credit hours while enrolled at the freshman or sophomore level. Eligibility may be extended for one additional term at the freshman or sophomore level if the recipient has accumulated fewer than 75 MAP paid credit hours, but does not have enough credit hours of payment remaining for the number of hours for which he or she is enrolled for the term. Upon progressing to the junior level or above, the recipient may use the remaining balance of MAP paid credit hours, up to the 135 credit hour maximum.
- o) The MAP grant shall not pay for academic programs intended to prepare a student for the high school equivalency certificate or for a high school diploma.
- p) The MAP grant shall not pay for audit courses, credit-by-examination and/or life experience, graduate-level courses leading to a degree above the baccalaureate level, or noncredit course offerings (except qualifying remedial courses). Remedial courses shall be eligible for MAP payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours).
- q) The MAP grant may be used by students repeating previously passed courses for the first time. The MAP grant may not be used for courses that a student has previously passed two or more times.
- r) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive MAP grant payment for tuition and mandatory fee costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.
- s) MAP paid credit hours are assessed to a recipient whenever MAP funds are disbursed on behalf of the recipient.
- t) MAP grant payment is subject to the limits of dollars appropriated to ISAC by the General Assembly.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

- u) It is the responsibility of MAP recipients to gain admission to approved Illinois institutions of higher learning. Illinois institutions of higher learning are not obligated to admit MAP recipients. The institution is obligated to provide MAP recipients the same facilities and instruction, on the same terms, as are provided to other students.
- v) If a recipient's academic program involves out-of-state and/or foreign study, subsection (j) applies and enrollment must be in accordance with ~~subsection (j)~~ and the following provisions:
 - 1) The recipient must be enrolled at the ISAC-approved institution of higher learning, and the out-of-state/foreign study must be applicable to the student's degree or certificate program at the student's institution of record.
 - 2) The ISAC-approved institution of higher learning must record the course credits on the official academic transcript as institutionally earned credit and not as transfer credit.
 - 3) An institution shall not request more than two semesters/three quarters of MAP assistance for any one qualified applicant enrolled on a full-time basis, or four semesters/six quarters of MAP for an applicant-enrolled on a half-time basis.

(Source: Amended at 43 Ill. Reg. 7281, effective July 1, 2019)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

- 1) Heading of the Part: Community Behavioral Health Care Professional Loan Repayment Program
- 2) Code Citation: 23 Ill. Adm. Code 2753
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
2753.10	New Section
2753.15	New Section
2753.20	New Section
2753.30	New Section
- 4) Statutory Authority: Implementing the Community Behavioral Health Care Professional Loan Repayment Program Act [110 ILCS 996] and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947].
- 5) Effective Date of Rules: July 1, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 1763; February 8, 2019
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposed and Final Version:

In Sections 2753.20, Applicant Eligibility and 2753.30, Program Procedures, every reference to "mental HPSA" was changed to "HPSA mental health discipline".

In Section 2753.30 (c) (2), Program Procedures, the address of the Deerfield office was added.

Section 2753.30 (f) (1) – (4), Program Procedures, was reformatted to clarify the chronology of determining awards.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

In Section 2753.30 (f) (3) (A) and (B), Program Procedures, references to "highest mental HPSA score" was changed to "highest HPSA mental health discipline score".

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC seeks to allow the audits to be scheduled using a risk based approach and considering available resources.
- 16) Information and questions regarding these adopted rules shall be directed to:

Jackie Eckley
Agency Rules Coordinator
Illinois Student Assistance Commission
500 West Monroe, 3rd Floor
Springfield IL 62704

217/782-5161
jackie.eckley@illinois.gov

The full text of the Adopted Rules begins on the next page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2753
COMMUNITY BEHAVIORAL HEALTH CARE PROFESSIONAL
LOAN REPAYMENT PROGRAM

Section	
2753.10	Summary and Purpose
2753.15	Definitions
2753.20	Applicant Eligibility
2753.30	Program Procedures

AUTHORITY: Implementing the Community Behavioral Health Care Professional Loan Repayment Program Act [110 ILCS 996] and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947].

SOURCE: Adopted at 43 Ill. Reg. 7289, effective July 1, 2019.

Section 2753.10 Summary and Purpose

- a) *The Community Behavioral Health Care Professional Loan Repayment Program is intended to provide loan repayment assistance to qualified mental health and substance abuse professionals in an effort to recruit and retain them to practice in underserved or rural areas and to address this State's community-based behavioral health care workforce shortage that causes disparities in access to critical mental health and substance use services. [110 ILCS 996/5]*
- b) This Part governs the Community Behavioral Health Care Professional Loan Repayment Program. Additional rules and definitions are contained in General Provisions (23 Ill. Adm. Code 2700).

Section 2753.15 Definitions

"Physician" means a person licensed by this State to practice medicine in all its branches and includes any person holding a temporary license, as provided in the Medical Practice Act of 1987 [225 ILCS 60].

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

"Psychiatrist" or "Licensed Psychiatrist" means a physician who has successfully completed a residency program in psychiatry accredited by either the Accreditation Council for Graduate Medical Education or the American Osteopathic Association. [110 ILCS 996/10]

"Health Professional Shortage Area" or "HPSA" means the geographical area in the State of Illinois that the U.S. Department of Health and Human Services has designated as an area that has a shortage of mental health professionals.

"HPSA Database" means a searchable database provided by the U.S. Health Resources & Services Administration (HRSA) that allows the user to find data regarding designated HPSAs and their relative shortage areas.

Section 2753.20 Applicant Eligibility

A qualified applicant shall be:

- a) a resident of Illinois;
- b) a United States citizen or eligible noncitizen;
- c) a borrower with an outstanding balance due on an eligible educational loan;
- d) an individual who is not in default on a federally guaranteed educational loan and does not owe a refund on a grant or scholarship program administered by ISAC;
- e) a qualifying behavioral health professional who meets licensing requirements of the Department of Financial and Professional Regulation or certification as a Certified Alcohol and Drug Counselor from the Illinois Alcoholism and Other Drug Abuse Professional Certification Association;
- f) *an individual who, for at least 12 consecutive months prior to applying for the grant, has worked as a behavioral health professional in a community mental health center in an underserved or rural HPSA mental health discipline; and*
- g) *an individual who, for each year during which a grant is received, fulfills a separate 12 month period as a behavioral health professional in a community mental health center in an underserved or rural HPSA mental health discipline.*
[110 ILCS 996/30]

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

Section 2753.30 Program Procedures

- a) Eligible educational loans include:
 - 1) Stafford Loans;
 - 2) Perkins Loans;
 - 3) Graduate PLUS Loans;
 - 4) consolidation loans;
 - 5) medical student loans;
 - 6) Supplemental Loans for Students;
 - 7) alternative loans; and
 - 8) other types of government and institutional loans used for education expenses.

- b) Non-eligible loans include:
 - 1) credit card payments;
 - 2) Parent PLUS Loans;
 - 3) loans that have been paid in full;
 - 4) loans from lending institutions that are not governed by State or federal regulations or loans from individuals or family members;
 - 5) any portion of a consolidated loan that cannot be directly attributed to the applicant; and
 - 6) non-education loans, such as home equity loans.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

- c) All applicants annually must complete an ISAC application for the loan repayment program.
- 1) Applications are available on ISAC's website and at ISAC's Springfield, Deerfield and Chicago offices.
 - 2) If the application is incomplete, ISAC will notify the applicant, who will have an opportunity to furnish the missing information. The application will only be considered for processing as of the date the application is complete and received at ISAC's Deerfield office (1755 Lake Cook Road, Deerfield IL 60015-5209). No applications will be considered for processing if received after the published date unless funds remain available for disbursement.
 - 3) Renewal applicants may be required to submit a history of prior awards in order to show program proceeds do not exceed the total amount of outstanding eligible educational loans, including award proceeds received that were not used to repay educational loans.
- d) Grant assistance under this program may be received for up to 4 years.
- e) ISAC shall select the recipients from among those who have submitted complete applications, including qualified new applicants and those who filed timely renewal applications and have supplied information required in subsection (c).
- f) The total number of grants awarded in a given fiscal year and the amount of each award as limited by subsection (g) is contingent upon available funding. If funding is insufficient to pay all eligible applicants, awarding will be determined in the following order:
- 1) renewal applicants, in the order in which their applications were received; then
 - 2) new applicants, using the mental health portion of the HPSA database to rank eligible rural and underserved applicants and giving priority to applicants in the areas that have the highest degree of shortage (score) for that applicant's profession. If multiple applicants receive the same score, their applications shall be given consideration in the order in which they were received.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

- A) If an applicant works for an organization located in an HPSA mental health discipline that has satellite clinics and the applicant works in more than one of the clinics, the highest HPSA mental health discipline score where the applicant works shall apply.
 - B) If an applicant works for different employers in multiple HPSA mental health disciplines having different degrees of shortage, the location having the highest HPSA mental health discipline score shall apply.
- g) The amount repaid by ISAC to the grantee shall be no more than the borrower's remaining balance on all eligible educational loans minus any grant payment made under this Part that was not used to pay the loan holder and shall not exceed:
- 1) \$35,000 per year for a psychiatrist;
 - 2) \$15,000 per year for an advanced practice registered nurse or a physician assistant;
 - 3) \$12,000 per year for a psychologist who holds a doctoral degree;
 - 4) \$6,500 per year for a licensed clinical social worker or a licensed clinical professional counselor; and
 - 5) \$2,500 per year for a substance use professional.
- h) Proceeds will be remitted directly to the holder of the loans to be repaid when the beneficiary designates ISAC as his or her disbursing agent for this purpose.
- i) The recipient and loan holder shall submit information for eligible educational loans in sufficient time for ISAC to make payments for each year in which the funds are awarded.
- j) If the recipient's loan holder receives an overpayment, the loan holder shall return the amount of the overage to ISAC. A supplemental request must be made by the recipient and processed by ISAC for any funds to be paid to another holder.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED RULES

- k) When multiple loans are held by a single lending institution, the loan holder shall distribute the payment to one loan until paid in full.
- l) When possible, all loans held at a single lending institution shall be paid in full before monies are distributed to another loan holder.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Nurse Educator Loan Repayment Program
- 2) Code Citation: 23 Ill. Adm. Code 2758
- 3) Section Number: 2758.20 Adopted Action:
Amendment
- 4) Statutory Authority: Implementing Article 10 of the Nurse Educator Assistance Act [110 ILCS 967] and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/65.95].
- 5) Effective Date of Rule: July 1, 2019
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of this adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 1771; February 8, 2019
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposed and Final Version: In Section 2758.20 (a)(3), regarding applicant eligibility, the item related to the amount of time a borrower is required to teach is now two separate items (a)(3) and (b), rather than a combined item.
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC seeks to allow the audits to be scheduled using a risk based approach and considering available resources.
- 16) Information and questions regarding this adopted rule shall be directed to:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

Jackie Eckley
Agency Rules Coordinator
Illinois Student Assistance Commission
500 West Monroe, 3rd Floor
Springfield IL 60015

217/782-5161
jackie.eckley@illinois.gov

The full text of the Adopted Amendment begins on the next page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2758
NURSE EDUCATOR LOAN REPAYMENT PROGRAM

Section

2758.10	Summary and Purpose
2758.20	Applicant Eligibility
2758.30	Program Procedures

AUTHORITY: Implementing Article 10 of the Nurse Educator Assistance Act [110 ILCS 967] and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947].

SOURCE: Adopted at 31 Ill. Reg. 9510, effective July 1, 2007; amended at 43 Ill. Reg. 7297, effective July 1, 2019.

Section 2758.20 Applicant Eligibility

- a) A qualified applicant shall be:
- 1) a resident of Illinois;
 - 2) a United States citizen or eligible noncitizen;
 - 3) a ~~nurse educator recipient~~ who has ~~taught~~worked as a nurse educator instructing practical or professional nurses in an approved Illinois institution for at least ~~the past~~ 12 consecutive months in an approved program of professional or practical nursing education in Illinois ~~prior to the date of each application for the program~~;
 - 4) a borrower with an outstanding balance due on an eligible educational loan;
 - 5) an applicant who is not in default on a federal guaranteed educational loan or owes a refund on a grant or scholarship program administered by ISAC; and

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

- 6) a nurse educator who meets licensing requirements of the Department of Financial and Professional Regulation.

- b) A nurse educator who has previously received a grant must fulfill a separate 12 consecutive month period teaching in an approved program of professional or practical nursing education in Illinois for each additional grant that is received.

(Source: Amended at 43 Ill. Reg. 7297, effective July 1, 2019)

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLYWITHDRAWAL OF FILING PROHIBITION
OF PROPOSED RULEMAKING

CAPITAL DEVELOPMENT BOARD

Heading of the Part: Illinois Energy Conservation Code

Code Citation: 71 Ill. Adm. Code 600

Section Numbers: 600.100 600.200 600.300 600.400
600.110 600.210 600.310 600.420
600.120 600.220 300.340 600.440
600.App. A

Date Originally Published in the *Illinois Register*: 12/7/18
42 Ill. Reg. 21491

Date Filing Prohibition Published in *Illinois Register*: 5/31/19
43 Ill. Reg. 6694

Date Filing Prohibition Became Effective: 5/14/19

Date Filing Prohibition Withdrawn: 6/11/19

Pursuant to Section 5-115 of the Illinois Administrative Procedure Act, the Joint Committee, at its meeting on 6/11/19, has withdrawn the prohibition against the filing of the Capital Development Board's rulemaking. The Committee originally issued this Filing Prohibition at its 5/14/19 meeting.

Please take notice that the agency is no longer prohibited from filing the rulemaking with the Secretary of State, as modified in accordance with agreements between the agency and the Joint Committee on Administrative Rules and the modifications submitted in response to the Objection and Filing Prohibition, and from enforcing or invoking the rule.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF OBJECTION
TO PROPOSED RULEMAKING

ILLINOIS COMMERCE COMMISSION

Heading of the Part: Regulatory Accounting Treatment for Cloud-Based Computing Solutions

Code Citation: 83 Ill. Adm. Code 289

Section Numbers: 289.10 289.20 289.30 289.40

Date Originally Published in the Illinois Register: 7/6/18
42 Ill. Reg. 12369

At its meeting on 6/11/19, the Joint Committee on Administrative Rules objected to the above-referenced rulemaking because JCAR has not yet received sufficient information regarding the economic impact of this rulemaking on affected ratepayers.

Failure of the agency to respond within 90 days after receipt of the Statement of Objection shall constitute withdrawal of this proposed rulemaking. The agency's response will be placed on the JCAR agenda for further consideration.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF OBJECTION
TO PROPOSED RULEMAKING

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

Heading of the Part: Illinois Dental Practice Act

Code Citation: 68 Ill. Adm. Code 1220

Section Numbers: 1220.255

Date Originally Published in the *Illinois Register*: 10/26/18
42 Ill. Reg. 19144

At its meeting on 6/11/19, the Joint Committee on Administrative Rules objected to the above-referenced rulemaking because the provisions of the rulemaking will need to be updated to reflect recent policy approved by the General Assembly.

Failure of the agency to respond within 90 days after receipt of the Statement of Objection shall constitute withdrawal of this proposed rulemaking. The agency's response will be placed on the JCAR agenda for further consideration.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF OBJECTION
TO PROPOSED RULEMAKING

DEPARTMENT OF INSURANCE

Heading of the Part: Workers' Compensation Electronic and Standardized Paper Billing

Code Citation: 50 Ill. Adm. Code 2908

Section Numbers: 2908.60
2908.70 (added during 1st Notice)
2908.100 (added during 1st Notice)

Date Originally Published in the *Illinois Register*: 1/11/19
43 Ill. Reg. 960

At its meeting on 6/11/19, the Joint Committee on Administrative Rules objected to the above-referenced rulemaking because DOI is reiterating the statutory discretion it has to determine the amount of fines rather than establishing the standards it will use in exercising that discretion. Sec. 5-20 of the IAPA requires agencies to provide in rule the standards they will use in exercising statutory discretion. Without those standards, the rulemaking has no provisions providing equal protection under the law.

Failure of the agency to respond within 90 days after receipt of the Statement of Objection shall constitute withdrawal of this proposed rulemaking. The agency's response will be placed on the JCAR agenda for further consideration.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF RECOMMENDATION
TO PROPOSED RULEMAKING

ILLINOIS COMMERCE COMMISSION

Heading of the Part: Certification of Alternative Retail Electric Suppliers

Code Citation: 83 Ill. Adm. Code 451

Section Numbers: 451.310 451.710

Date Originally Published in the *Illinois Register*: 12/7/18
42 Ill. Reg. 21556

At its meeting on June 11, 2019, the Joint Committee on Administrative Rules considered the above-referenced rulemaking and recommended that JCAR has not yet received sufficient information regarding the economic impact of this rulemaking on affected ratepayers.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF RECOMMENDATION
TO PROPOSED RULEMAKING

ILLINOIS COMMUNITY COLLEGE BOARD

Heading of the Part: Administration of the Illinois Public Community College Act

Code Citation: 23 Ill. Adm. Code 1501

Section Numbers: 1501.206

Date Originally Published in the *Illinois Register*: 11/26/18
42 Ill. Reg. 20592

At its meeting on June 11, 2019, the Joint Committee on Administrative Rules considered the above-referenced rulemaking and recommended that the Board be more timely in implementing statutory requirements and avoid prior implementation of its policies.

The agency should respond to this Recommendation in writing within 90 days after receipt of this Statement. Failure to respond will constitute refusal to accede to the Committee's Recommendation. The agency's response will be placed on the JCAR agenda for further consideration.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received during the period of June 11, 2019 through June 17, 2019. These rulemakings are scheduled for the July 16, 2019 meeting. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start of First Notice</u>	<u>JCAR Meeting</u>
7/28/19	<u>Revenue</u> , Retailers' Occupation Tax (86 Ill. Adm. Code 130)	1/18/19 43 Ill. Reg. 1251	7/16/19
7/28/19	<u>Revenue</u> , Service Occupation Tax (86 Ill. Adm. Code 140)	1/18/19 43 Ill. Reg. 1277	17/16/19
7/28/19	<u>Revenue</u> , Cigarette Tax Act (86 Ill. Adm. Code 440)	1/18/19 43 Ill. Reg. 1287	7/16/19
7/18/19	<u>Revenue</u> , Cigarette Use Tax Act (86 Ill. Adm. Code 450)	1/18/19 43 Ill. Reg. 1303	7/16/19
7/18/19	<u>Revenue</u> , Tobacco Products Tax Act of 1995 (86 Ill. Adm. Code 660)	1/18/19 43 Ill. Reg. 1312	7/16/19
7/18/19	<u>Central Management Services</u> , Pay Plan (80 Ill. Adm. Code 310)	1/18/19 43 Ill. Reg. 4543)	7/16/19

CHIEF PROCUREMENT OFFICER FOR HIGHER EDUCATION

JULY 2019 REGULATORY AGENDA

- a) Part (Heading and Code Citation): Chief Procurement Officer for Public Institutions of Higher Education Standard Procurement, (44 Ill. Adm. Code 4)

1) Rulemaking:

A) Description: The Chief Procurement Officer for Higher Education anticipates amendments to the standard procurement rules to implement changes to address legislative changes made by the General Assembly, policy changes by the Chief Procurement Officer, and to provide for simplification and better readability.

B) Statutory Authority: 30 ILCS 500, 30 ILCS 525

C) Scheduled meeting/hearing dates: None have been scheduled.

D) Date Agency anticipates First Notice: December 2019

E) Effect on small businesses, small municipalities or not-for-profit corporations: The proposals may affect small businesses that contract with the State of Illinois.

F) Agency contact person for information:

Shirley Webb
Deputy Chief Procurement Officer
Chief Procurement Office for Public Institutions of Higher Education
522 Stratton Office Building
401 S. Spring St.
Springfield IL 62706

217/836-2376

G) Related rulemakings and other pertinent information: None

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

- a) Part (Heading and Code Citation): Acquisition of Control of a Domestic Company (50 Ill. Adm. Code 651)
- 1) Rulemaking:
- A) Description: 50 Ill. Adm. Code 913.Illustration A is being repealed and replaced by the use of the NAIC Biographical Affidavit form. Item 3 of Part 651.Illustration A will be revised to reflect this change.
- B) Statutory Authority: Implementing Article VIII½ and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/Art. VIII½ and Section 401].
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: July 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:
- Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767
- 217/782-1756
- G) Related rulemakings and other pertinent information: 50 Ill. Adm. Code 913, 915, 2051, 2905, 4520, 4530
- b) Part (Heading and Code Citation): Securities Regulation (50 Ill. Adm. Code 913)
- 1) Rulemaking:
- A) Description: Part 913.ILLUSTRATION A is an outdated biographical affidavit form that is no longer being used; the NAIC form is currently in use. Part 913.Illustration A needs to be repealed and references to it need

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

to be changed to refer to the NAIC Biographical Affidavit form instead. Additionally, housekeeping changes will be made throughout the rule.

- B) Statutory Authority: Implementing Sections 20, 32, 32.1 and 147.1 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/20, 32, 32.1, 147.1 and 401].
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: July 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/782-1756
- G) Related rulemakings and other pertinent information: 50 Ill. Adm. Code 651, 915, 2051, 2905, 4520, 4530

c) Part (Heading and Code Citation): Management Information Reports (50 Ill. Adm. Code 915)

1) Rulemaking:

- A) Description: Part 913.ILLUSTRATION A is an outdated biographical affidavit form that is no longer being used; the NAIC form is currently in use. Part 913 is being amended to remove ILLUSTRATION A, and references to it within Part 915 need to be changed to refer to the NAIC Biographical Affidavit form instead. Additionally, housekeeping changes will be made throughout the rule.

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

- B) Statutory Authority: Implementing Section 155.04 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/155.04 and 401].
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: July 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/782-1756
- G) Related rulemakings and other pertinent information: Parts 651, 913, 2051, 2905, 4520, 4530
- d) Part (Heading and Code Citations): Annual Financial Reporting (50 Ill. Adm. Code 925)
- 1) Rulemaking:
- A) Description: The proposed change to the regulation requires insurers to establish an internal audit function to enhance corporate governance. Small companies are exempt from the requirement if they do not meet a premium threshold. The amendments are based on NAIC Model Regulation #205, which will be an accreditation standard effective 1/1/2020.
- B) Statutory Authority: 215 ILCS 5/132.1 through 132.7, 136, 401 and 402, 215 ILCS 125/5-3, 215 ILCS 110/25, 215 ILCS 130/4003, 215 ILCS 5/401.
- C) Scheduled meeting/hearing dates: None scheduled.

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

- D) Date Agency anticipates First Notice: August 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/782-1756
- G) Related rulemakings and other pertinent information: None
- e) Part (Heading and Code Citation): Misrepresentation and False Warranties (50 Ill. Adm. Code 941)
- 1) Rulemaking:
- A) Description: The rule will be amended to prohibit insurers from running underwriting reports after a claim has been filed or a loss has occurred and using that information to rescind the policy and deny paying the claim based on material misrepresentation or adding significant surcharges onto policies retroactive to the effective date of the policy.
- B) Statutory Authority: Implementing Section 154 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/154 and 401].
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: Fall 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

Reid McClintock
Deputy Director, Property & Casualty Products
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/558-3952

G) Related rulemakings and other pertinent information: None

f) Part (Heading and Code Citation): Credit for Reinsurance (50 Ill. Adm. Code 1104)

1) Rulemaking:

A) Description: U.S. reinsurance collateral requirements mandated by state insurance laws have been controversial for several years. While U.S. states have traditionally required 100% collateral for insurers taking financial statement credit for risks reinsured with non-U.S. reinsurers, often foreign jurisdictions do not require the same of U.S. reinsurers. This has come to be recognized as an unacceptable competitive disadvantage within the global reinsurance marketplace, and has led to numerous state, federal and international efforts to correct the situation.

Recognizing the potential for variation in collateral requirements across states makes planning for collateral liability more uncertain and thus potentially more expensive, state regulators have been working together through the NAIC to reduce collateral requirements in a consistent manner commensurate with the financial strength of the reinsurer and the quality of the regulatory regime that oversees it. The NAIC passed amendments to the NAIC Credit for Reinsurance Model Law (#785) and Credit for Reinsurance Model Regulation (#786) (Credit for Reinsurance Models) in 2011. Once implemented by a state, the amendments will allow foreign reinsurers to post significantly less than 100% collateral for U.S. claims, provided the reinsurer is evaluated and certified. Individual reinsurers are certified based on criteria that include, but are not limited to, financial strength, timely claims payment history, and the requirement a reinsurer be domiciled and licensed in a qualified jurisdiction.

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

On July 21, 2010, Congress passed and the President signed related federal legislation, the Non-admitted and Reinsurance Reform Act, which became effective July 21, 2011. This law will preempt the extraterritorial application of the Illinois credit for reinsurance law if we do not adopt the proposed changes.

The amendments will become an NAIC accreditation standard effective 1/1/2019. Illinois must adopt these amendments to maintain its accreditation with the NAIC.

- B) Statutory Authority: 215 ILCS 5/173, 173.1 and 401
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: Fall 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/782-1756

- G) Related rulemakings and other pertinent information: Part 1105, Term and Universal Life Insurance Reserve Financing

g) Part (Heading and Code Citation): Prior Notification of Dividends or Distributions (Proposed new Rule 50 Ill. Adm. Code 1305)

1) Rulemaking:

- A) Description: PA 100-1118, effective November 27, 2018, added a new section to Article VIIC of the Illinois Insurance Code, Domestic Insurance Companies, namely, section 123C-26 [215 ILCS 5/123C-26] which

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

mandates that captive insurance companies shall notify the Director when issuing dividends or distributions to policyholders [215 ILCS 5/123C-26.A.] and which mandates that the Director approve that issuance and adopt rules to implement the approval process.

B) Statutory Authority: PA 100-1118, effective November 27, 2018, and 215 ILCS 5/123C-26.

C) Scheduled meeting/hearing dates: None scheduled.

D) Date Agency anticipates First Notice: July 2019

E) Effect on small businesses, small municipalities or not-for-profit corporations: None

F) Agency contact person for information:

Marcy Savage, Assistant Deputy Director
Financial/Corporate Regulatory Division
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/524-0016

G) Related rulemakings and other pertinent information: None

h) Part (Heading and Code Citation): Minimum Standards for Individual and Group Medicare Supplement Insurance (50 Ill. Adm. Code 2008)

1) Rulemaking:

A) Description: Currently, Line 2 in the Refund Calculation Form in Appendix S mistakenly instructs that the "Past Year's" experience be provided where this statement was intended to request the "Past Years" experience. Similarly, line 3 requests, "past year's" experience where this should be "past years" experience. The NAIC Model Regulation MDL-651 accurately states, "Past Years'," and this document is proposing to

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

amend Title 50 Part 2008.APPENDIX S to match the model regulation language.

- B) Statutory Authority: 215 ILCS 5/363 and 363a
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: August 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/782-1756

- G) Related rulemakings and other pertinent information: None

i) Part (Heading and Code Citation): Registration of Workers' Compensation Utilization Review Organizations (50 Ill. Adm. Code 2905)

1) Rulemaking:

- A) Description: Exhibit B is the Utilization Review Organization Officers and Directors Biographical Affidavit. The requirements in Exhibit B are contained in the current NAIC Biographical Affidavit. 50 IAC 2905.20 will be revised to note the use of the current NAIC Biographical Affidavit and remove the reference to Exhibit B. Housekeeping changes will also be made to the Definitions Section.
- B) Statutory Authority: Implementing Section 8.7 of the Workers' Compensation Act [820 ILCS 305/8.7] and authorized by Section 8.7 of the Workers' Compensation Act and Section 401 of the Illinois Insurance Code [215 ILCS 5/401].

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

- C) Scheduled meeting/hearing dates: None are currently scheduled.
- D) Date Agency anticipates First Notice: July 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None anticipated
- F) Agency contact person for information:

Michael Chrysler, Deputy Director
Life & Annuities and Health Products
Illinois Department of Insurance
320 W. Washington St.
Springfield IL 62767-0001

217/558-2744

- G) Related rulemakings and other pertinent information: Parts 651, 913, 915, 2051, 4520, 4530

j) Part (Heading and Code Citation): Pre-Licensing and Continuing Education (50 Ill. Adm. Code 3119)

1) Rulemaking:

- A) Description: 3119.60(c)(2) specifies that no course can be approved for less than 1 hour of continuing education (CE) credit. The rule doesn't specify the maximum course approval for hours. Part 3119 will be amended to reflect that, in keeping with longstanding DOI practice, 12 hours of CE credit is the maximum number to be approved for a course filing.
- B) Statutory Authority: Implementing Sections 500-25, 500-30 and 500-35 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/500-25, 500-30, 500-35, and 401].
- C) Scheduled meeting/hearing dates: None scheduled.

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

- D) Date Agency anticipates First Notice: Fall 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Michael Maher, Deputy Director
Enforcement and Investigations
Illinois Department of Insurance
122 S Michigan Ave, 19th floor
Chicago IL 60603

312/814-1767
- G) Related rulemakings and other pertinent information: None
- k) Part (Heading and Code Citation): Portability of Creditable Service Time for Downstate and Suburban Police Pension Funds (50 Ill. Adm. Code 4404)
- 1) Rulemaking:
- A) Description: Part 4404.Illustration A will be repealed or amended to delete a request for the participant's Social Security Number and to add requests for other relevant information.
- B) Statutory Authority: Implementing Section 3-110 and 3-110.7, and authorized by Section 3-110 of the Illinois Pension Code [40 ILCS 5/3-110 and 3-110.7].
- C) Scheduled meeting/hearing dates: None scheduled.
- D) Date Agency anticipates First Notice: July 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

Kevin Fry, Chief Operating Officer
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/782-1756

G) Related rulemakings and other pertinent information: None

1) Part (Heading and Code Citation): Health Carrier External Review (50 Ill. Adm. Code 4530)

1) Rulemaking:

A) Description: The Department will be changing electronic systems for handling external reviews. Requirements to use the message center and references to the message center that are found in this Part need to be removed as the message center will no longer be available after implementation later in 2019.

B) Statutory Authority: Implementing the Health Carrier External Review Act [215 ILCS 180] and authorized by Section 50(h) of that Act and Section 401 of the Illinois Insurance Code [215 ILCS 5].

C) Scheduled meeting/hearing dates: None scheduled.

D) Date Agency anticipates First Notice: Fall 2019

E) Effect on small businesses, small municipalities or not-for-profit corporations: None

F) Agency contact person for information:

Jennifer Reif
Deputy Director, Health Products
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

DEPARTMENT OF INSURANCE

JULY 2019 REGULATORY AGENDA

217/557-7311

- G) Related rulemakings and other pertinent information: None

STATE UNIVERSITIES RETIREMENT SYSTEM

JULY 2019 REGULATORY AGENDA

a) Part (Heading and Code Citation): Universities Retirement (80 Ill. Adm. Code 1600)

1) Rulemaking:

A) Description: The System anticipates rulemaking affecting the following:

Add Section 1600.200 Definition of Employee to implement PA 99-897, effective January 1, 2017, regarding the definition of "employee" under Section 15-107 of the Illinois Pension Code.

Amend Section 1600.270 - Employer Contributions for Benefit Increases Resulting from Earnings Increases Exceeding 6% and 3%. Amendments will address changes made by the General Assembly which lowered the employer cost billing threshold from 6% to 3%, extends prior exemptions for vacation payouts and collectively bargained sick leave as referenced under the 6% rule, addresses how SURS will determine whether a collectively bargained agreement will be grandfathered in under the 6% rule and clarifies grandfathering exceptions for collective bargaining agreements that were already in place before the effective date of the new 3% rule. Whether any rules on this issue will be filed will depend on the effect of the General Assembly's repeal of the 3% statute.

Amend Section 1600.300 Effective Beneficiary Designations to address electronic execution and submission of beneficiary designation forms.

Amend Section 1600.305 – Full-Time Student Survivors Insurance Beneficiaries. Amendments will clarify that a student may qualify as being a “full-time” student if the combination of credit hours earned by the student at one or more accredited educational institutions, during the same time frame, equals a full-time workload as defined by either of the accredited educational institutions attended.

Amend Section 1600.420 Making Preliminary Estimated Payments to include procedures for holding payments when the member has not responded to informational requests, and to terminate the benefit after a period of non-compliance with the request.

STATE UNIVERSITIES RETIREMENT SYSTEM

JULY 2019 REGULATORY AGENDA

Amend Section 1600.450 Overpayment Recovery to address de minimis revisions to benefit calculations and deductions for overpayments of less than \$100.

Promulgate rules to establish acceptable documentary evidence for demographic information such as birth dates and marital status.

Promulgate rules to provide specific definitions and procedures to implement 40 ILCS 5/15-168 (concerning information requests necessary for the proper administration of the System and suspensions for non-compliance by members and penalties for non-compliance by employers).

- B) Statutory Authority: Article 15 of the Illinois Pension Code, 40 ILCS 5/15-177.
- C) Scheduled meeting/hearing dates: Written comments may be submitted during the 45-day public comment period following publication of the proposed rule in the Illinois Register. No public hearings are anticipated.
- D) Date Agency anticipates First Notice: Spring through Fall 2019
- E) Effect on small businesses, small municipalities or not-for-profit corporations: None
- F) Agency contact person for information:

Bianca T. Green, General Counsel
State Universities Retirement System
1901 Fox Drive
Champaign IL 61820

217/378-8825
email: bgreen@surs.org
fax: 217/378-9801

- G) Related rulemakings and other pertinent information: Other Amendments may be necessary based on emergent issues.

ILLINOIS ADMINISTRATIVE CODE
Issue Index - With Effective Dates

Rules acted upon in Volume 43, Issue 26 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquiries about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

ADOPTED RULES

83 - 200	6/17/2019	7217
50 - 753	6/13/2019	7225
50 - 2302	6/13/2019	7230
50 - 3501	6/13/2019	7245
23 - 227	6/7/2019	7255
23 - 2700	7/1/2019	7269
23 - 2735	7/1/2019	7281
23 - 2753	7/1/2019	7289
23 - 2758	7/1/2019	7297

**JOINT COMMITTEE ON
ADMINISTRATIVE RULES
STATEMENTS OF PROHIBITED
FILINGS**

71 - 600	7301
----------	-------	------

**JCAR REVIEW OF EXISTING RULES
STATEMENT OF RECOMMENDATIONS**

83 - 451	.....	7305
23 - 1501	.....	7306

**JCAR REVIEW OF EXISTING RULES
STATEMENT OF OBJECTIONS**

83 - 289	.....	7302
68 - 1220	.....	7303
50 - 2908	.....	7304

REGULATORY AGENDA

44 - 4	.....	7308
50 - 651	.....	7309
80 - 1600	.....	7321