



# Illinois Department of Financial and Professional Regulation

## Division of Insurance

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TO: COMPANIES AUTHORIZED TO TRANSACT CREDIT  
INSURANCE BUSINESS IN ILLINOIS

FROM: MICHAEL T. McRAITH, DIRECTOR OF INSURANCE

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RE: CB 2009- 04

### PRODUCER LICENSING REQUIREMENTS REGARDING GROUP CREDIT INSURANCE

The purpose of this bulletin is to advise companies of the Division's procedures and guidelines regarding producer licensing for the sale of group credit insurance.

Pursuant to Section 500-20(b)(2) of the Illinois Insurance Code (215 ILCS 5/500-20(b)(2)), no producer license is required for (provided no commission is paid to an individual for services rendered) an individual to enroll consumers into a group life, group property and casualty, group annuity or blanket accident and health insurance or for the purpose of enrolling individuals under plans, issuing certificates under plans or otherwise assisting in administering plans or to perform administrative services related to mass marketed property and casualty insurance.

Section 500-80(a) of the Illinois Insurance Code (215 ILCS 5/500-80(a)) states in part:

"An insurer or insurance producer may not pay a commission, service fee, brokerage, or other valuable consideration to a person for selling, soliciting, or negotiation insurance in this State if that person is required to be licensed under this Article and is not so licensed at the time of selling, soliciting, or negotiating the insurance."

Therefore, an enroller employed by a company (e.g. automobile dealer, bank, finance company, credit union or other retail store) is not required to be licensed unless the enroller is being paid a commission, service fee or any other valuable consideration. The company that employs the enroller must have an insurance producer license and at least one individual who is an officer or director of the entity must hold a producer license if that company is receiving a percentage of the insurance sold, commission or any other valuable consideration.