



Illinois Department of Insurance

PAT QUINN
Governor

MICHAEL T. McRAITH
Director

MEMORANDUM

TO: INSURANCE PRODUCERS AND INTERESTED PARTIES
FROM: MICHAEL T. McRAITH
DATE: JULY 12, 2010
RE: ILLINOIS IMPLEMENTS STATE BASED SYSTEMS (SBS) LICENSING SYSTEM

On July 26, 2010, the Illinois Department of Insurance will implement the State-Based Systems (SBS) licensing system.

SBS will allow producer licensing functions to be completed electronically through a web-based system. Through SBS, an insurance producer will be able to register immediately, without paperwork delays, and at any time, on any day.

SBS permits real time access to a producer's licensing information, thereby eliminating the delays caused by regular mail and telephone calls or email correspondence. In particular, producers will receive the following benefits from the Department's conversion to the SBS licensing system:

- Resident licensing original and renewal applications, non-resident original and renewal applications, address change requests and the attachment warehouse will be available to producers and other licensed entities on-line, all day, every day.
- Temporary licenses will be processed online.
- Approved license transactions will be loaded to SBS and viewable by the licensee online within minutes.
- Licensees and licensing administrators will have fingertip access to electronically available information, including license printing, review of continuing education (CE) transcripts, and review of any portion of the licensee summary. Licensees can also receive automatic email notifications from the Department, thus avoiding U.S. postal mailing expenses.
- The public will have free online access to information describing the status of a producer's license.
- Licensees will no longer have to use a Social Security number as a license identification number for CE courses, online log-ins, and course lists.

- CE course review features will be available online so that producers are able to search for course availability.

Online Products for Continuing Education Providers

- Real-time submission of CE/PLE course completions.
- Online course applications.
- Online provider applications.
- Access to continuing education transcripts.
- Access to updated address and contacts.
- In 2011, providers will be able to upload course schedules that will be available on-line for producers. In addition, provider online registration, if available from the provider will be linked to each course for ease of registration.

Please note, during the period of July 16 to August 2, producers will NOT be able to submit applications through NIPR. You will however be able to submit applications through the variety of ABP (associated business partners) listed at the following URL

http://www.nipr.com/authorized_business_partners.htm.

Although applications may be submitted through these ABPs, those transactions will be placed in queue until August 2, at which point the Gateway will be turned back on and applicants may begin using the NIPR applications to apply electronically. The Department has consistently supported the electronic initiative in producer licensing. The transition to SBS will provide much improved service to licensees and improved uniformity among the states that have already adopted SBS for insurance regulation needs.

SBS was developed by the National Association of Insurance Commissioners (NAIC) to serve the regulatory needs of states, improve the efficiency of the producer licensing process, improve the uniformity of multi-state licensing, and better service producers. SBS is being used by twenty states with several others soon to join.

For more information on the NAIC's State-Based Systems' approach to insurance regulatory tools, visit <http://www.statebasedsystems.com/>.