



Illinois Department of Insurance

PAT QUINN
Governor

MICHAEL T. McRAITH
Director

MEMORANDUM

TO: Insurance Producers and Interested Parties
FROM: Michael T. McRaith
DATE: July 14, 2010
RE: State Based Systems (SBS) Licensing System: Continuing Education Provider Fees

The Illinois Department of Insurance will implement the State-Based Systems (SBS) licensing system on July 26, 2010. Among the many improvements to the producer licensing process as a result of SBS, continuing education (CE) Providers will immediately submit CE/PLE course completion information and make course applications available on-line.

As the Department moves forward with SBS implementation, we remain observant of the potential costs implications for CE Providers. Accordingly, please be advised that:

- **CE Providers, including the independent agents' association, will not have to pay any of the costs associated with modernizing to the SBS system at this time.**
- **The Department is committed to work with interested parties to address the prospective reporting fees.**

The Department supports the modernization of producer licensing through on-line, electronic means. The transition to SBS will improve services to licensees and improve uniformity among the states that have already adopted SBS for insurance regulation needs. In addition, the transition to SBS will allow Illinois to depart from using Social Security numbers as identifiers to Illinois licensees.

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, and improve the uniformity of multi-state licensing. SBS is currently 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/>.