

Illinois Department of Insurance

1999



65th Annual Report and Summary of Annual Statements

George H. Ryan
GOVERNOR

Nathaniel S. Shapo
DIRECTOR



STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
320 WEST WASHINGTON STREET
SPRINGFIELD, ILLINOIS 62767-0001

GEORGE H. RYAN
GOVERNOR

NATHANIEL S. SHAPO
DIRECTOR

Honorable George H. Ryan
Governor
State of Illinois
Springfield, Illinois

Dear Governor Ryan:

I am pleased to submit this Annual Report summarizing the activities and fiscal operations of the Department of Insurance in 1999. As the final chronicle of our agency in the 20th Century, this year's report also takes a look back at important events in state insurance regulation over the past several decades.

Several new laws enacted in 1999 will strengthen the Department's regulatory oversight and consumer protection programs. The Managed Care Reform and Patient Rights Act tightens requirements on health maintenance organizations, insurance companies, doctors, and other health care providers thereby giving Illinois insurance consumers greater control of their health care. Other health insurance initiatives include new requirements that health care plans make timely payments to health care providers and the application of risk based capital standards to HMOs.

Another new law, the Protected Cell Company Act, authorizes insurance companies to offer debt securities directly to the capital markets thereby facilitating Illinois' ability to compete in the global insurance market.

With the enactment of the Gramm—Leach—Bliley (Financial Services Modernization) Act in November, state insurance regulation faces significant change and unprecedented challenges. The new federal law establishes a framework for the entry of banks and other financial institutions into the insurance marketplace. Illinois has been a leader in the National Association of Insurance Commissioners' efforts to protect the rights of consumers and preserve the states' functional regulation of the insurance industry.

The Department's regulatory initiatives and a summary of the 1999 financial statements of all licensed insurance companies are outlined in the report that follows.

Respectfully submitted,

Nathaniel S. Shapo
Director

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Nathaniel S. Shapo
Director



Madelynne Brown
Assistant Director



Arnold Dutcher
Chief Deputy Director

Directors of Insurance

| | | | |
|-----------------------------|--------------|---------------------------|-----------|
| Nathaniel S. Shapo | 1999–present | Laddie T. Pelnar (Acting) | 1954 |
| Arnold Dutcher (Acting) | 1998–1999 | Robert E. Barrett | 1953–1954 |
| Mark Boozell | 1995–1998 | J. Edward Day | 1950–1953 |
| James W. Schacht (Acting) | 1994–1995 | Harry B. Hershey | 1949–1950 |
| Stephen F. Selcke | 1991–1994 | N. P. Parkinson | 1944–1949 |
| James W. Schacht (Acting) | 1991 | Paul F. Jones | 1941–1944 |
| Zack Stamp | 1989–1991 | S. Hayden Davis | 1940–1941 |
| John E. Washburn | 1983–1989 | Ernest Palmer | 1933–1940 |
| James W. Schacht (Acting) | 1982–1983 | Harry Hanson | 1930–1933 |
| Philip R. O'Connor | 1979–1982 | George Huskinson | 1927–1930 |
| Richard L. Mathias | 1977–1979 | Alex Johnson | 1923–1927 |
| Michael P. Duncan | 1976–1977 | Thomas J. Houston | 1921–1923 |
| Dennis W. Toivonen (Acting) | 1976 | Fred W. Potter | 1917–1921 |
| Robert B. Wilcox | 1974–1976 | Rufus Potts | 1913–1917 |
| Fred A. Mauck | 1973–1974 | Fred W. Potter | 1907–1913 |
| James Baylor | 1969–1973 | William R. Vredenburgh | 1903–1907 |
| John E. Bolton, Jr. | 1965–1969 | Henry Yates | 1901–1903 |
| Richard G. Hershey | 1963–1965 | James R. Van Cleave | 1897–1901 |
| Joseph S. Gerber | 1957–1963 | Bradford Durfee | 1893–1897 |
| Justin T. McCarthy | 1954–1957 | | |



Former Directors of the Department of Insurance include (front row l–r): Joseph Gerber, Fred Mauck, Michael Duncan, James Baylor, Philip O'Connor. Back row (l–r): Stephen Selcke, Richard Mathias, John Washburn, James Schacht, Dennis Toivonen, Zack Stamp, Robert Wilcox.

Department Organization

