

November 13,
2001

To: All Domestic Companies Authorized to Write Life and/or Accident and Health and Property and Casualty Insurance in Illinois (including Fraternal).
All Domestic Health Maintenance Organizations and Limited Health Service Organizations.

From: Nathaniel S. Shapo, Director

Re: **(CB #2001-05) 215 ILCS 5/131.20a - Changes to Holding Company Act**

Life and/or Accident and Health
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This Company Bulletin replaces CB 2001- 4 which was issued October 29, 2001.

Effective immediately, Public Act 92-0140 of the 92nd General Assembly amended the Holding Company Act, 215 ILCS 5/131.20a. Specifically, the following language was added:

"...or (B) that is proposed when the domestic company is not eligible to declare and pay a dividend or other distribution pursuant to the provisions of Section 27."

A company which has negative or zero unassigned funds is required to provide priornotice of all transactions with any entity in its holding company system. The Department will monitor compliance with the amended provisions based on the company's unassigned funds at the end of the most recent calendar quarter.

Public Act 92-0140 may be viewed in its entirety at the following Internet website: <http://insurance.illinois.gov>. The Illinois Compiled Statutes on that site have not yet been updated to reflect the amended language.