TO: All Companies Subject to Article VIII 1/3 of the Illinois Insurance Code (“Code”)
FROM: Robert H. Muriel, Director
DATE: April 16, 2020
RE: Company Bulletin #2020-10
Company Delays in Filing CGAD Due to COVID-19 Emergency

On March 9, 2020, Governor JB Pritzker proclaimed a statewide disaster due to the Coronavirus Disease 2019 (“COVID-19”) outbreak within the State of Illinois, and again on April 1, 2020 declared a statewide disaster in response to the exponential spread of COVID-19 (the “Gubernatorial Disaster Proclamations”). On March 20, 2020, the Governor issued Executive Order 2020-10 ordering Illinois residents to stay at home unless otherwise permitted under the order and that all non-essential business and operations within the State cease for the remainder of the Gubernatorial Disaster Proclamations. On April 1, 2020, the Governor issued Executive Order 2020-18 continuing and extending Executive Order 2020-10 in its entirety for the duration of the Gubernatorial Disaster Proclamations.

Article VIII 1/3 of the Code (215 ILCS 5/Article VIII.33) requires insurers or insurance groups to provide the Director a summary of the insurer’s or insurance group’s corporate governance structure, policies, and practices to permit the Director to gain and maintain an understanding of the insurer’s corporate governance framework. Please refer to Company Bulletin 2020-01 for guidance on completing the filing. The first Corporate Governance Annual Disclosure (CGAD) submission is due to the Illinois Department of Insurance by June 1, 2020. Under the Code, “[a]ny insurer failing, without just cause, to timely file” the CGAD as required in Article VIII 1/3 will be required to pay a penalty of $200 for each day’s delay. 215 ILCS 5/130.7 (emphasis added).

To provide our Illinois insurance companies adequate time to prepare a complete and responsive CGAD, the Director has determined that the COVID-19 emergency is “just cause” for an untimely filing of any Illinois insurer or insurance group that is required to make an Illinois CGAD filing under Article VIII 1/3 of the Code. Thus, the Director is waiving the $200 daily
penalty for a late filing until August 1, 2020 where delay in filing was caused by the COVID-19 emergency.

All Illinois insurers or insurance groups who can meet the deadline of June 1, 2020 are encouraged to do so. Any delays in filing up to August 1, 2020, caused by the COVID-19 emergency, do not require prior approval from the Director, but the filing should note that the delay was caused by the COVID-19 emergency.

Questions about this bulletin should be submitted electronically to Ms. Susan Berry at susan.berry@illinois.gov. Ms. Berry can also be reached at (217) 782-1759.