

1 AN ACT concerning insurance industry investments.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Insurance Industry Investment Equity Fund Act.

6 Section 5. Insurance Industry Investment Equity Board.

7 (a) There is created the Insurance Industry Investment
8 Equity Board. The Board shall consist of 9 members, one of
9 whom shall be the Director of Insurance, who shall serve ex
10 officio, and one of whom shall be the managing officer of the
11 fiscal agent hired by the Department of Insurance. The
12 Governor shall appoint the remaining 7 members. Three of the
13 members shall represent participating insurers, 3 of the
14 members shall represent entities eligible for funding, and
15 one member shall be an employee the Department of Insurance.
16 An appointed member shall serve for a term of 5 years, except
17 that in making the initial appointments, the Governor shall
18 appoint one member to serve for a term of one year, one
19 member to serve for a term of 2 years, 2 members to serve for
20 a term of 3 years, 2 members to serve for a term of 4 years,
21 and one member to serve for a term of 5 years. A member is
22 eligible for reappointment to the Board.

23 (b) Members shall serve without compensation, but
24 members who are not employees of the State or of the fiscal
25 agent are entitled to reimbursement for their reasonable and
26 necessary expenses incurred in the performance of their
27 official duties.

28 Section 10. Participating investors.

29 (a) Insurance companies authorized to transact an
30 insurance business in this State may participate in the

1 Insurance Industry Investment Equity Fund. Insurance
2 companies that possess excess surplus, as defined by the
3 Department of Insurance, must participate in the Insurance
4 Industry Investment Equity Fund with a minimum investment of
5 \$1,000,000.

6 (b) The Department of Insurance must identify all
7 insurance companies that possess excess surplus and notify
8 them of this required investment.

9 Section 15. Fiscal agent. The Department of Insurance
10 shall hire a fiscal agent to manage the responsibilities of
11 the Insurance Industry Investment Equity Fund as determined
12 by the Insurance Industry Investment Equity Board. The
13 responsibilities of the Insurance Industry Investment Equity
14 Fund include, but are not limited to, designing, marketing,
15 and underwriting loan and equity products.

16 Section 20. Eligible recipients of Insurance Industry
17 Investment Equity Fund investment capital. Investment
18 capital from the Insurance Industry Investment Equity Fund
19 may be invested with community development financial
20 institutions certified by the United States Treasury and with
21 not-for-profit community development organizations that have
22 received an exemption under Section 501(c)(3) of the Internal
23 Revenue Code and are certified by the Secretary of State to
24 be in good standing.

25 Section 25. Eligible functions of investment capital.

26 (a) The Insurance Industry Investment Equity Board shall
27 establish the eligible functions of the investment capital
28 that is awarded to eligible recipients. In establishing the
29 eligible functions of investment capital, the Insurance
30 Industry Investment Equity Board must consider, at a minimum,
31 the requirements of subsections (b) and (c) of this Section.

1 (b) A portion of the available investment capital must
2 be made available for eligible recipients to use as real
3 estate development equity. The Insurance Industry Investment
4 Equity Board shall determine the return on investment
5 requirements and length of investment for this type of
6 investment on a project-by-project basis. The Insurance
7 Industry Investment Equity Board must establish eligibility
8 and underwriting guidelines for this type of investment.

9 (c) A portion of the available investment capital must
10 be made available for eligible recipients to use for
11 equity-like investments. The Insurance Industry Investment
12 Equity Board shall determine the return on investment
13 requirements for this type of investment on a
14 project-by-project basis. The term of the investment may not
15 exceed 15 years. The investment capital for this type of
16 investment shall be made available on an unsecured basis.
17 The Insurance Industry Investment Equity Board shall give
18 priority to eligible recipients seeking community development
19 financial institution investment matches. The Insurance
20 Industry Investment Equity Board must establish eligibility
21 and underwriting guidelines for this type of investment.

22 Section 30. Administration of Act; rules. The
23 Department of Insurance shall administer this Act. The
24 Department of Insurance may issue rules necessary to
25 administer this Act.

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.