

AN ACT concerning regulation.

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

Section 5. The Illinois Insurance Code is amended by changing Section 511.101 as follows:

(215 ILCS 5/511.101) (from Ch. 73, par. 1065.58-101)

(Section scheduled to be repealed on January 1, 2027)

Sec. 511.101. Definitions. For the purpose of this Article:

(a) "Administrator" means any person who on behalf of a plan sponsor or insurer receives or collects charges, contributions or premiums for, or adjusts or settles claims on residents of this State in connection with any type of life or accident or health benefit provided through or as an alternative to insurance within the scope of Class 1(a), 1(b) or 2(a) of Section 4 of this ~~the Illinois Insurance~~ Code, other than any of the following:

(1) A corporation, association, trust or partnership which is administering a plan (i) on behalf of the employees of such corporation, association, trust or partnership or (ii) for the employees of one or more subsidiaries or affiliated corporations or affiliated associations, trusts or partnerships;

(2) A union administering a plan for its members;

(3) A plan sponsor administering its own plan;

(4) An insurer or dental service plan to the extent regulated by this ~~the Illinois Insurance Code~~;

(5) A producer licensed in this State whose insurance activities are limited to the scope of such license;

(6) A trust and its trustees and employees acting pursuant to its trust agreement established in conformity with 29 U.S.C. 186;

(7) A person who adjusts or settles claims in the normal course of such person's practice or employment as an attorney-at-law, and who does not collect contributions or premiums in connection with life or accident or health coverage;

(8) A person who administers only self-insured workers' compensation plans, or single employer self insured life or accident or health benefit plans;

(9) A credit card issuing company which advances for and collects premiums or charges from its credit card holders who have authorized such collection, if such company does not adjust or settle claims;

(10) A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors.

(b) "Covered Individual" means any individual eligible for life or accident or health benefits under a plan.

(c) "Contributions" means any money charged a covered

individual, plan sponsor or other entity to fund the self-insured portion of any plan in accordance with written provisions of the plan or contracts of insurance. Contributions shall include administrative fees charged to a covered individual. Administrative fee means any compensation paid by a covered individual for services performed by the administrator.

(d) "Premiums" means any money charged a covered individual, plan sponsor or other entity to provide life or accident or health insurance under a plan. The term premium shall include amounts paid by or charged to a covered individual plan sponsor or other entity for stop loss or excess insurance.

(e) "Charges" means any compensation paid by a plan sponsor or insurer for services performed by the administrator.

(f) "Administrator Trust Fund", hereinafter referred to as "ATF", means a special fiduciary account established and maintained by an administrator pursuant to Section 511.112 in which contributions and premiums are deposited.

(g) "Claims Administration Services Account", hereinafter referred to as "CASA", means a special fiduciary account established and maintained by an administrator pursuant to Section 511.112 of this Code from which claims and claims adjustment expenses are disbursed.

(h) "Plan Sponsor" means any person other than an insurer, who establishes or maintains a plan covering residents of this

State, including but not limited to plans established or maintained by 2 or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

Provided, however, that "Plan Sponsor" shall not include:

(1) The employer in the case of a plan established or maintained by a single employer; or

(2) The employee organization in the case of a plan established or maintained by an employee organization.

No plan sponsor covered in whole by provisions of the Employee Retirement Income Security Act of 1974 (ERISA) shall be covered by any of the provisions of this Act to the extent that such provisions are inconsistent with or in conflict with any provisions of ERISA as now or hereafter amended.

(i) "Financial Institution" means any federal or state chartered bank or savings and loan institution which is insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

(j) "Plan" means any plan, fund or program established or maintained by a plan sponsor or insurer to the extent that such plan, fund or program was established or is maintained to provide through insurance or alternatives to insurance any type of life or accident or health benefit within the scope of Class 1(a), 1(b) or 2(a) of Section 4 of the Illinois Insurance Code.

(k) "Insurer" means any person who transacts insurance or health care service business authorized under the laws of this State.

(l) "Quasi-resident" means a nonresident licensee who produces 50% or more of his contributions and premium volume during a calendar year from residents of this State.

(Source: P.A. 84-1431.)