



Sen. Heather A. Steans

Filed: 5/16/2018

10000HB2624sam002

LRB100 07415 SMS 40247 a

1 AMENDMENT TO HOUSE BILL 2624

2 AMENDMENT NO. _____. Amend House Bill 2624 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Short-Term, Limited-Duration Health Insurance Coverage Act.

6 Section 5. Definitions. In this Act:

7 "Department" means the Department of Insurance.

8 "Group health insurance coverage" means, in connection
9 with a group health plan, health insurance coverage offered in
10 connection with the plan.

11 "Group health plan" means an employee welfare benefit plan
12 (as defined in Section 3(1) of the federal Employee Retirement
13 Income Security Act of 1974) to the extent that the plan
14 provides medical care (as defined in paragraph (2) of that
15 Section and including items and services paid for as medical
16 care) to employees or their dependents (as defined under the

1 terms of the plan) directly or through insurance,
2 reimbursement, or otherwise.

3 "Health insurance coverage" means benefits consisting of
4 medical care (provided directly, through insurance or
5 reimbursement, or otherwise and including items and services
6 paid for as medical care) under any hospital or medical service
7 policy or certificate, hospital or medical service plan
8 contract, or health maintenance organization contract offered
9 by a health insurance issuer.

10 "Health insurance issuer" means an insurance company,
11 insurance service, or insurance organization (including a
12 health maintenance organization) that is licensed to engage in
13 the business of insurance in a state and that is subject to
14 Illinois law that regulates insurance (within the meaning of
15 Section 514(b)(2) of the federal Employee Retirement Income
16 Security Act of 1974). "Health insurance issuer" does not
17 include a group health plan.

18 "Fraud" means an intentional misrepresentation of a
19 material fact in connection with the coverage.

20 "Individual health insurance coverage" means health
21 insurance coverage offered to individuals in the individual
22 market, including short-term, limited-duration health
23 insurance coverage.

24 "Short-term, limited-duration health insurance coverage"
25 means individual health insurance coverage provided under a
26 contract offered by a licensed health insurance issuer,

1 regardless of the situs of the delivery of the policy or
2 contract that has a specified, limited-duration.

3 Section 10. Application; scope; duration of coverage.

4 (a) This Act applies to health insurance issuers that offer
5 short-term, limited-duration health insurance coverage to
6 individuals in this State and to short-term, limited-duration
7 health insurance coverage that is delivered or issued for
8 delivery in this State, including coverage issued outside of
9 this State that covers individuals in this State.

10 (b) A short-term, limited-duration health insurance
11 coverage policy (even where issued outside of this State) may
12 not cover any person residing in this State or be delivered or
13 issued for delivery in this State unless the policy complies
14 with the provisions of this Act.

15 (c) Any short-term, limited-duration health insurance
16 coverage policy that is delivered or issued for delivery in
17 this State must have an expiration date in the contract that is
18 less than 91 days and shall not be renewable within a period of
19 365 days, beginning the day after the contract ends, either at
20 the option of the issuer or the individual. Renewal of a
21 short-term, limited-duration health insurance coverage policy
22 includes the issuance of a new short-term, limited-duration
23 health insurance policy by an issuer to a policyholder within
24 60 days after the expiration of a policy previously issued by
25 the issuer to the policyholder.

1 (d) Any short-term, limited-duration health insurance
2 coverage policy that is delivered or issued for delivery in
3 this State may not be rescinded before the expiration date in
4 the contract, except in cases of nonpayment of premiums, fraud,
5 or as provided in subsection (e).

6 (e) Any short-term, limited-duration health insurance
7 coverage policy that is delivered or issued for delivery in
8 this State shall contain an option for an individual to cancel
9 coverage after any 30-day interval during the term of the plan.

10 Section 15. Disclosure requirements.

11 (a) A health insurance issuer that offers short-term,
12 limited-duration health insurance coverage shall, in addition
13 to all other documents required, including, but not limited to,
14 the policy, the certificate, the membership booklet, and a
15 description of appeal and external review rights, deliver an
16 outline of coverage to an applicant for or an enrollee in
17 short-term, limited-duration health insurance coverage
18 delivered or issued for delivery in this State.

19 (b) Any short-term, limited-duration health insurance
20 coverage policy that is delivered or issued for delivery in the
21 State shall display prominently in the contract, any
22 application, sales, and marketing materials provided in
23 connection with enrollment in such coverage, and the outline of
24 coverage for such coverage, in at least 14-point, bold type,
25 the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION

1 INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL
2 REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR
3 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF
4 COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS
5 REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS ARE
6 NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK YOUR
7 POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE POLICY
8 DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU LOSE
9 ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT UNTIL THE
10 NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH INSURANCE
11 COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM INSURANCE THAT
12 QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR HEALTH INSURANCE
13 UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO PAY FOR IT AT
14 WWW.HEALTHCARE.GOV."

15 (c) Any individual selling a short-term, limited-duration
16 health insurance coverage policy in this State must read out
17 loud the disclosure in subsection (b) to a prospective
18 purchaser.

19 (d) Nothing in this Section precludes an insurer from
20 providing disclosures in addition to those required in
21 subsections (b) and (c).

22 Section 20. Filing and approval.

23 (a) Coverage subject to this Act may not be delivered or
24 issued for delivery unless it has been approved by the
25 Department.

1 (b) A health insurance issuer who intends to deliver or
2 issue for delivery a short-term, limited-duration health
3 insurance coverage policy in this State shall file with the
4 Department:

5 (1) all paperwork required by health insurance issuers
6 of individual health insurance coverage;

7 (2) all sales and marketing materials provided in
8 connection with enrollment in such coverage; and

9 (3) the outline of such coverage.

10 (c) The Department shall adopt any rules necessary to carry
11 out the provisions of this Act.

12 Section 99. Effective date. This Act takes effect January
13 1, 2019.".