



Sen. Heather A. Steans

**Filed: 4/26/2018**

10000SB2388sam001

LRB100 17895 SMS 39410 a

1 AMENDMENT TO SENATE BILL 2388

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2388 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 or  
5 fraud.

6           Section 15. Disclosure requirements.

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

15           (b) Any short-term, limited-duration health insurance  
16 coverage policy that is delivered or issued for delivery in the  
17 State shall display prominently in the contract, any  
18 application, sales, and marketing materials provided in  
19 connection with enrollment in such coverage, and the outline of  
20 coverage for such coverage, in at least 14-point, bold type,  
21 the following: "WARNING! This plan may not cover all of the  
22 health care you need and may leave you with very high medical  
23 bills. If you buy this plan, you may not be able to get more  
24 complete insurance when this contract ends. You may be able to  
25 get more complete insurance now and help to pay for it at

1 www.healthcare.gov".

2 (c) Any short-term, limited-duration health insurance  
3 coverage policy that is delivered or issued for delivery in  
4 this State shall display prominently in the footer on every  
5 page of the contract, in any application, sales, and marketing  
6 materials provided in connection with enrollment in such  
7 coverage, and in the outline of coverage for such coverage, in  
8 at least 14-point, bold type, the following: "WARNING! This is  
9 temporary coverage. This policy provides limited benefits."

10 (d) Any identification card for short-term,  
11 limited-duration health insurance coverage that is delivered  
12 or issued for delivery in this State must prominently display  
13 the following in bold type: "WARNING! This is temporary  
14 coverage. This policy provides limited benefits."

15 (e) 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 Section 20. Filing and approval.

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

23 (b) A health insurance issuer who intends to deliver or  
24 issue for delivery a short-term, limited-duration health  
25 insurance coverage policy in this State shall file with the

1 Department:

2 (1) all paperwork required by health insurance issuers  
3 of individual health insurance coverage;

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

6 (3) the outline of such coverage.

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

9 (d) The Department shall adopt any rules necessary to  
10 protect Illinois consumers and promote the stability of  
11 Illinois' health insurance markets.

12 Section 25. Illinois Insurance Code and benefit  
13 requirements.

14 (a) Short-term, limited-duration coverage shall be subject  
15 to Sections 143c, 155.36, 355, 356a, 356b, 356c, 356e, 356f,  
16 356g, 356g.5, 356g.5-1, 356h, 356i, 356k, 356L, 356m, 356n,  
17 356p, 356q, 356r, 356s, 356t, 356u, 356v, 356w, 356x, 356z.1,  
18 356z.2, 356z.3a, 356z.4, 356z.5, 356z.6, 356z.7, 356z.8,  
19 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15,  
20 356z.17, 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.24,  
21 356z.25, 356z.25, 364, 364.01, 367b, 367k, 370a, and 370c,  
22 subsections (7) and (8) of Section 367, and subsection (a) of  
23 Section 370i of the Illinois Insurance Code.

24 (b) Short-term, limited-duration coverage shall also be  
25 subject to the provisions of the Network Adequacy and

1 Transparency Act, the Managed Care Reform and Patients Rights  
2 Act, the Topical Eye Medication Prescription Act, the Organ  
3 Transplant Medication Notification Act, and the Health Carrier  
4 External Review Act.

5 Section 90. The Illinois Insurance Code is amended by  
6 changing Section 356z.16 and by changing and renumbering  
7 Section 356z.25 (as added by Public Act 100-386) as follows:

8 (215 ILCS 5/356z.16)

9 Sec. 356z.16. Applicability of mandated benefits to  
10 supplemental policies. Unless specified otherwise, the  
11 following Sections of the Illinois Insurance Code do not apply  
12 to short-term travel, disability income, long-term care,  
13 accident only, or limited (excluding short-term,  
14 limited-duration health insurance coverage policies as defined  
15 in the Short-Term, Limited-Duration Health Insurance Coverage  
16 Act) or specified disease policies: 355b, 356b, 356c, 356d,  
17 356g, 356k, 356m, 356n, 356p, 356q, 356r, 356t, 356u, 356w,  
18 356x, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.12,  
19 356z.14, 356z.19, 356z.21, 356z.25, 356z.27, 364.01, 367.2-5,  
20 and 367e.

21 (Source: P.A. 100-386, eff. 1-1-18.)

22 (215 ILCS 5/356z.27)

23 Sec. 356z.27 ~~356z.25~~. Preexisting condition exclusion. No

1 policy of individual or group accident and health insurance  
2 issued, amended, delivered, or renewed on or after January 1,  
3 2018 (the effective date of Public Act 100-386) ~~this amendatory~~  
4 ~~Act of the 100th General Assembly~~ may impose any preexisting  
5 condition exclusion, as defined in the Illinois Health  
6 Insurance Portability and Accountability Act, with respect to  
7 such plan or coverage.

8 No policy of short-term, limited-duration health insurance  
9 coverage as defined in the Short-Term, Limited-Duration Health  
10 Insurance Coverage Act issued, amended, delivered, or renewed  
11 on or after the effective date of this amendatory Act of the  
12 100th General Assembly may impose any preexisting condition  
13 exclusion, as defined in the Illinois Health Insurance  
14 Portability and Accountability Act, with respect to such plan  
15 or coverage.

16 (Source: P.A. 100-386, eff. 1-1-18; revised 9-15-17.)

17 Section 99. Effective date. This Act takes effect January  
18 1, 2019."