



Rep. Bob Morgan

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10100HB0471ham001

LRB101 03392 AMC 59018 a

1 AMENDMENT TO HOUSE BILL 471

2 AMENDMENT NO. _____. Amend House Bill 471 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Section 355 as follows:

6 (215 ILCS 5/355) (from Ch. 73, par. 967)

7 Sec. 355. Accident and health policies; provisions.
8 ~~policies Provisions.)~~

9 (a) No policy of insurance against loss or damage from the
10 sickness, or from the bodily injury or death of the insured by
11 accident shall be issued or delivered to any person in this
12 State until a copy of the form thereof and of the
13 classification of risks and the premium rates pertaining
14 thereto have been filed with the Director; nor shall it be so
15 issued or delivered until the Director shall have approved such
16 policy pursuant to the provisions of Section 143. If the

1 Director disapproves the policy form he shall make a written
2 decision stating the respects in which such form does not
3 comply with the requirements of law and shall deliver a copy
4 thereof to the company and it shall be unlawful thereafter for
5 any such company to issue any policy in such form.

6 (b) All individual and small group accident and health
7 policies written in compliance with the Patient Protection and
8 Affordable Care Act must file rates for approval. Rate
9 increases not found to be reasonable in relation to benefits
10 under the policy provided shall be disapproved. The Department
11 shall provide a report to the General Assembly on or after
12 January 1, 2021, regarding both on and off exchange individual
13 and small group rates in the Illinois market.

14 (Source: P.A. 79-777.)

15 Section 10. The Health Maintenance Organization Act is
16 amended by changing Section 4-12 as follows:

17 (215 ILCS 125/4-12) (from Ch. 111 1/2, par. 1409.5)

18 Sec. 4-12. Changes in Rate Methodology and Benefits,
19 Material Modifications. A health maintenance organization
20 shall file with the Director, prior to use, a notice of any
21 change in rate methodology, or benefits and of any material
22 modification of any matter or document furnished pursuant to
23 Section 2-1, together with such supporting documents as are
24 necessary to fully explain the change or modification.

1 (a) Contract modifications described in subsections
2 (c) (5), (c) (6) and (c) (7) of Section 2-1 shall include all form
3 agreements between the organization and enrollees, providers,
4 administrators of services and insurers of health maintenance
5 organizations.

6 (b) Material transactions or series of transactions other
7 than those described in subsection (a) of this Section, the
8 total annual value of which exceeds the greater of \$100,000 or
9 5% of net earned subscription revenue for the most current
10 twelve month period as determined from filed financial
11 statements.

12 (c) Any agreement between the organization and an insurer
13 shall be subject to the provisions of the laws of this State
14 regarding reinsurance as provided in Article XI of the Illinois
15 Insurance Code. All reinsurance agreements must be filed.
16 Approval of the Director is required for all agreements except
17 the following: individual stop loss, aggregate excess,
18 hospitalization benefits or out-of-area of the participating
19 providers unless 20% or more of the organization's total risk
20 is reinsured, in which case all reinsurance agreements require
21 approval.

22 (d) All individual and small group health plans written in
23 compliance with the Patient Protection and Affordable Care Act
24 must file rates for approval. Rate increases not found to be
25 reasonable in relation to benefits under the policy provided
26 shall be disapproved. The Department shall provide a report to

1 the General Assembly on or after January 1, 2021, regarding
2 both on and off exchange individual and small group rates in
3 the Illinois market.
4 (Source: P.A. 86-620.)".