

1 AN ACT concerning regulation.

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

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

6 (215 ILCS 5/511.101) (from Ch. 73, par. 1065.58-101)

7 (Section scheduled to be repealed on January 1, 2027)

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

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

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

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

- 1 (3) A plan sponsor administering its own plan;
- 2 (4) An insurer or dental service plan to the extent
3 regulated by this ~~the Illinois Insurance Code~~;
- 4 (5) A producer licensed in this State whose insurance
5 activities are limited to the scope of such license;
- 6 (6) A trust and its trustees and employees acting
7 pursuant to its trust agreement established in conformity
8 with 29 U.S.C. 186;
- 9 (7) A person who adjusts or settles claims in the
10 normal course of such person's practice or employment as an
11 attorney-at-law, and who does not collect contributions or
12 premiums in connection with life or accident or health
13 coverage;
- 14 (8) A person who administers only self-insured
15 workers' compensation plans, or single employer self
16 insured life or accident or health benefit plans;
- 17 (9) A credit card issuing company which advances for
18 and collects premiums or charges from its credit card
19 holders who have authorized such collection, if such
20 company does not adjust or settle claims;
- 21 (10) A creditor on behalf of its debtors with respect
22 to insurance covering a debt between the creditor and its
23 debtors.
- 24 (b) "Covered Individual" means any individual eligible for
25 life or accident or health benefits under a plan.
- 26 (c) "Contributions" means any money charged a covered

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

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

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

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

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

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

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

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

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

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

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

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

21 (j) "Plan" means any plan, fund or program established or
22 maintained by a plan sponsor or insurer to the extent that such
23 plan, fund or program was established or is maintained to
24 provide through insurance or alternatives to insurance any type
25 of life or accident or health benefit within the scope of Class
26 1(a), 1(b) or 2(a) of Section 4 of the Illinois Insurance Code.

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

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

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