

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 Sections 121-2.05, 356z.18, 367.3, 367a, 368f, 424,
6 425, and 500-70 as follows:

7 (215 ILCS 5/121-2.05) (from Ch. 73, par. 733-2.05)

8 Sec. 121-2.05. Group insurance policies issued and
9 delivered in other State-Transactions in this State. With the
10 exception of insurance transactions authorized under Sections
11 230.2 or 367.3 of this Code and transactions subject to the
12 requirements of the Short-Term, Limited-Duration Health
13 Insurance Coverage Act, transactions in this State involving
14 group legal, group life and group accident and health or
15 blanket accident and health insurance or group annuities where
16 the master policy of such groups was lawfully issued and
17 delivered in, and under the laws of, a State in which the
18 insurer was authorized to do an insurance business, to a group
19 properly established pursuant to law or regulation, and where
20 the policyholder is domiciled or otherwise has a bona fide
21 situs.

22 (Source: P.A. 86-753.)

1 (215 ILCS 5/356z.18)

2 Sec. 356z.18. Prosthetic and customized orthotic devices.

3 (a) For the purposes of this Section:

4 "Customized orthotic device" means a supportive device for
5 the body or a part of the body, the head, neck, or extremities,
6 and includes the replacement or repair of the device based on
7 the patient's physical condition as medically necessary,
8 excluding foot orthotics defined as an in-shoe device designed
9 to support the structural components of the foot during
10 weight-bearing activities.

11 "Licensed provider" means a prosthetist, orthotist, or
12 pedorthist licensed to practice in this State.

13 "Prosthetic device" means an artificial device to replace,
14 in whole or in part, an arm or leg and includes accessories
15 essential to the effective use of the device and the
16 replacement or repair of the device based on the patient's
17 physical condition as medically necessary.

18 (b) This amendatory Act of the 96th General Assembly shall
19 provide benefits to any person covered thereunder for expenses
20 incurred in obtaining a prosthetic or custom orthotic device
21 from any Illinois licensed prosthetist, licensed orthotist, or
22 licensed pedorthist as required under the Orthotics,
23 Prosthetics, and Pedorthics Practice Act.

24 (c) A group or individual major medical policy of accident
25 or health insurance or managed care plan or medical, health,
26 or hospital service corporation contract that provides

1 coverage for prosthetic or custom orthotic care and is
2 amended, delivered, issued, or renewed 6 months after the
3 effective date of this amendatory Act of the 96th General
4 Assembly must provide coverage for prosthetic and orthotic
5 devices in accordance with this subsection (c). The coverage
6 required under this Section shall be subject to the other
7 general exclusions, limitations, and financial requirements of
8 the policy, including coordination of benefits, participating
9 provider requirements, utilization review of health care
10 services, including review of medical necessity, case
11 management, and experimental and investigational treatments,
12 and other managed care provisions under terms and conditions
13 that are no less favorable than the terms and conditions that
14 apply to substantially all medical and surgical benefits
15 provided under the plan or coverage.

16 (d) The policy or plan or contract may require prior
17 authorization for the prosthetic or orthotic devices in the
18 same manner that prior authorization is required for any other
19 covered benefit.

20 (e) Repairs and replacements of prosthetic and orthotic
21 devices are also covered, subject to the co-payments and
22 deductibles, unless necessitated by misuse or loss.

23 (f) A policy or plan or contract may require that, if
24 coverage is provided through a managed care plan, the benefits
25 mandated pursuant to this Section shall be covered benefits
26 only if the prosthetic or orthotic devices are provided by a

1 licensed provider employed by a provider service who contracts
2 with or is designated by the carrier, to the extent that the
3 carrier provides in-network and out-of-network service, the
4 coverage for the prosthetic or orthotic device shall be
5 offered no less extensively.

6 (g) The policy or plan or contract shall also meet
7 adequacy requirements as established by the Health Care
8 Reimbursement Reform Act of 1985 of the Illinois Insurance
9 Code.

10 (h) This Section shall not apply to accident only,
11 specified disease, short-term travel ~~hospital or medical~~,
12 hospital confinement indemnity, credit, dental, vision,
13 Medicare supplement, long-term care, basic hospital and
14 medical-surgical expense coverage, disability income insurance
15 coverage, coverage issued as a supplement to liability
16 insurance, workers' compensation insurance, or automobile
17 medical payment insurance.

18 (Source: P.A. 96-833, eff. 6-1-10.)

19 (215 ILCS 5/367.3) (from Ch. 73, par. 979.3)

20 Sec. 367.3. Group accident and health insurance;
21 discretionary groups.

22 (a) No group health insurance offered to a resident of
23 this State under a policy issued to a group, other than one
24 specifically described in Section 367(1), shall be delivered
25 or issued for delivery in this State unless the Director

1 determines that:

2 (1) the issuance of the policy is not contrary to the
3 public interest;

4 (2) the issuance of the policy will result in
5 economies of acquisition and administration; and

6 (3) the benefits under the policy are reasonable in
7 relation to the premium charged.

8 (b) No such group health insurance may be offered in this
9 State under a policy issued in another state unless this State
10 or the state in which the group policy is issued has made a
11 determination that the requirements of subsection (a) have
12 been met.

13 Where insurance is to be offered in this State under a
14 policy described in this subsection, the insurer shall file
15 for informational review purposes:

16 (1) a copy of the group master contract;

17 (2) a copy of the statute authorizing the issuance of
18 the group policy in the state of situs, which statute has
19 the same or similar requirements as this State, or in the
20 absence of such statute, a certification by an officer of
21 the company that the policy meets the Illinois minimum
22 standards required for individual accident and health
23 policies under authority of Section 401 of this Code, as
24 now or hereafter amended, as promulgated by rule at 50
25 Illinois Administrative Code, Ch. I, Sec. 2007, et seq.,
26 as now or hereafter amended, or under the Short-Term,

1 Limited-Duration Health Insurance Coverage Act and rules
2 thereunder, as applicable, or by a successor rule;

3 (3) evidence of approval by the state of situs of the
4 group master policy; and

5 (4) copies of all supportive material furnished to the
6 state of situs to satisfy the criteria for approval.

7 (c) The Director may, at any time after receipt of the
8 information required under subsection (b) and after finding
9 that the standards of subsection (a) have not been met, order
10 the insurer to cease the issuance or marketing of that
11 coverage in this State.

12 (d) Notwithstanding subsections (a) and (b), group ~~Group~~
13 accident and health insurance subject to the provisions of
14 this Section is also subject to the provisions ~~of Section 367i~~
15 of this Code or the Short-Term, Limited-Duration Health
16 Insurance Coverage Act, as applicable, and rules thereunder
17 that pertain to group accident and health insurance.

18 (Source: P.A. 90-655, eff. 7-30-98.)

19 (215 ILCS 5/367a) (from Ch. 73, par. 979a)

20 Sec. 367a. Blanket accident and health insurance.

21 (1) Blanket accident and health insurance is that form of
22 accident and health insurance covering special groups of
23 persons as enumerated in one of the following paragraphs (a)
24 to (g), inclusive:

25 (a) Under a policy or contract issued to any carrier for

1 hire, which shall be deemed the policyholder, covering a group
2 defined as all persons who may become passengers on such
3 carrier.

4 (b) Under a policy or contract issued to an employer, who
5 shall be deemed the policyholder, covering all employees or
6 any group of employees defined by reference to exceptional
7 hazards incident to such employment.

8 (c) Under a policy or contract issued to a college,
9 school, or other institution of learning or to the head or
10 principal thereof, who or which shall be deemed the
11 policyholder, covering students or teachers. However, except
12 where inconsistent with 45 CFR 147.145, student health
13 insurance coverage other than excepted benefits or short-term,
14 limited-duration health insurance coverage that is provided
15 pursuant to a written agreement with an institution of higher
16 education for the benefit of its enrolled students and their
17 dependents shall remain subject to the standards and
18 requirements for individual health insurance coverage.

19 (d) Under a policy or contract issued in the name of any
20 volunteer fire department, first aid, or other such volunteer
21 group, which shall be deemed the policyholder, covering all of
22 the members of such department or group.

23 (e) Under a policy or contract issued to a creditor, who
24 shall be deemed the policyholder, to insure debtors of the
25 creditors; Provided, however, that in the case of a loan which
26 is subject to the Small Loans Act, no insurance premium or

1 other cost shall be directly or indirectly charged or assessed
2 against, or collected or received from the borrower.

3 (f) Under a policy or contract issued to a sports team or
4 to a camp, which team or camp sponsor shall be deemed the
5 policyholder, covering members or campers.

6 (g) Under a policy or contract issued to any other
7 substantially similar group which, in the discretion of the
8 Director, may be subject to the issuance of a blanket accident
9 and health policy or contract.

10 (2) Any insurance company authorized to write accident and
11 health insurance in this state shall have the power to issue
12 blanket accident and health insurance. No such blanket policy
13 may be issued or delivered in this State unless a copy of the
14 form thereof shall have been filed in accordance with Section
15 355, and it contains in substance such of those provisions
16 contained in Sections 357.1 through 357.30 as may be
17 applicable to blanket accident and health insurance and the
18 following provisions:

19 (a) A provision that the policy and the application shall
20 constitute the entire contract between the parties, and that
21 all statements made by the policyholder shall, in absence of
22 fraud, be deemed representations and not warranties, and that
23 no such statements shall be used in defense to a claim under
24 the policy, unless it is contained in a written application.

25 (b) A provision that to the group or class thereof
26 originally insured shall be added from time to time all new

1 persons or individuals eligible for coverage.

2 (3) An individual application shall not be required from a
3 person covered under a blanket accident or health policy or
4 contract, nor shall it be necessary for the insurer to furnish
5 each person a certificate.

6 (4) All benefits under any blanket accident and health
7 policy shall be payable to the person insured, or to his
8 designated beneficiary or beneficiaries, or to his or her
9 estate, except that if the person insured be a minor or person
10 under legal disability, such benefits may be made payable to
11 his or her parent, guardian, or other person actually
12 supporting him or her. Provided further, however, that the
13 policy may provide that all or any portion of any indemnities
14 provided by any such policy on account of hospital, nursing,
15 medical or surgical services may, at the insurer's option, be
16 paid directly to the hospital or person rendering such
17 services; but the policy may not require that the service be
18 rendered by a particular hospital or person. Payment so made
19 shall discharge the insurer's obligation with respect to the
20 amount of insurance so paid.

21 (5) Nothing contained in this section shall be deemed to
22 affect the legal liability of policyholders for the death of
23 or injury to, any such member of such group.

24 (Source: P.A. 83-1362.)

25 (215 ILCS 5/368f)

1 Sec. 368f. Military service member insurance
2 reinstatement.

3 (a) No Illinois resident activated for military service
4 and no spouse or dependent of the resident who becomes
5 eligible for a federal government-sponsored health insurance
6 program, including the TriCare program providing coverage for
7 civilian dependents of military personnel, as a result of the
8 activation shall be denied reinstatement into the same
9 individual health insurance coverage with the health insurer
10 that the resident lapsed as a result of activation or becoming
11 covered by the federal government-sponsored health insurance
12 program. The resident shall have the right to reinstatement in
13 the same individual health insurance coverage without medical
14 underwriting, subject to payment of the current premium
15 charged to other persons of the same age and gender that are
16 covered under the same individual health coverage. Except in
17 the case of birth or adoption that occurs during the period of
18 activation, reinstatement must be into the same coverage type
19 as the resident held prior to lapsing the individual health
20 insurance coverage and at the same or, at the option of the
21 resident, higher deductible level. The reinstatement rights
22 provided under this subsection (a) are not available to a
23 resident or dependents if the activated person is discharged
24 from the military under other than honorable conditions.

25 (b) The health insurer with which the reinstatement is
26 being requested must receive a request for reinstatement no

1 later than 63 days following the later of (i) deactivation or
2 (ii) loss of coverage under the federal government-sponsored
3 health insurance program. The health insurer may request proof
4 of loss of coverage and the timing of the loss of coverage of
5 the government-sponsored coverage in order to determine
6 eligibility for reinstatement into the individual coverage.
7 The effective date of the reinstatement of individual health
8 coverage shall be the first of the month following receipt of
9 the notice requesting reinstatement.

10 (c) All insurers must provide written notice to the
11 policyholder of individual health coverage of the rights
12 described in subsection (a) of this Section. In lieu of the
13 inclusion of the notice in the individual health insurance
14 policy, an insurance company may satisfy the notification
15 requirement by providing a single written notice:

16 (1) in conjunction with the enrollment process for a
17 policyholder initially enrolling in the individual
18 coverage on or after the effective date of this amendatory
19 Act of the 94th General Assembly; or

20 (2) by mailing written notice to policyholders whose
21 coverage was effective prior to the effective date of this
22 amendatory Act of the 94th General Assembly no later than
23 90 days following the effective date of this amendatory
24 Act of the 94th General Assembly.

25 (d) The provisions of subsection (a) of this Section do
26 not apply to any policy or certificate providing coverage for

1 any specified disease, specified accident or accident-only
2 coverage, credit, dental, disability income, hospital
3 indemnity, long-term care, Medicare supplement, vision care,
4 or short-term travel ~~nonrenewable health policy~~ or other
5 limited-benefit supplemental insurance, or any coverage issued
6 as a supplement to any liability insurance, workers'
7 compensation or similar insurance, or any insurance under
8 which benefits are payable with or without regard to fault,
9 whether written on a group, blanket, or individual basis.

10 (e) Nothing in this Section shall require an insurer to
11 reinstate the resident if the insurer requires residency in an
12 enrollment area and those residency requirements are not met
13 after deactivation or loss of coverage under the
14 government-sponsored health insurance program.

15 (f) All terms, conditions, and limitations of the
16 individual coverage into which reinstatement is made apply
17 equally to all insureds enrolled in the coverage.

18 (g) The Secretary may adopt rules as may be necessary to
19 carry out the provisions of this Section.

20 (Source: P.A. 94-1037, eff. 7-20-06.)

21 (215 ILCS 5/424) (from Ch. 73, par. 1031)

22 Sec. 424. Unfair methods of competition and unfair or
23 deceptive acts or practices defined. The following are hereby
24 defined as unfair methods of competition and unfair and
25 deceptive acts or practices in the business of insurance:

1 (1) The commission by any person of any one or more of
2 the acts defined or prohibited by Sections 134, 143.24c,
3 147, 148, 149, 151, 155.22, 155.22a, 155.42, 236, 237,
4 364, and 469 of this Code.

5 (2) Entering into any agreement to commit, or by any
6 concerted action committing, any act of boycott, coercion
7 or intimidation resulting in or tending to result in
8 unreasonable restraint of, or monopoly in, the business of
9 insurance.

10 (3) Making or permitting, in the case of insurance of
11 the types enumerated in Classes 1, 2, and 3 of Section 4,
12 any unfair discrimination between individuals or risks of
13 the same class or of essentially the same hazard and
14 expense element because of the race, color, religion, or
15 national origin of such insurance risks or applicants. The
16 application of this Article to the types of insurance
17 enumerated in Class 1 of Section 4 shall in no way limit,
18 reduce, or impair the protections and remedies already
19 provided for by Sections 236 and 364 of this Code or any
20 other provision of this Code.

21 (4) Engaging in any of the acts or practices defined
22 in or prohibited by Sections 154.5 through 154.8 of this
23 Code.

24 (5) Making or charging any rate for insurance against
25 losses arising from the use or ownership of a motor
26 vehicle which requires a higher premium of any person by

1 reason of his physical disability, race, color, religion,
2 or national origin.

3 (6) Failing to meet any requirement of the Unclaimed
4 Life Insurance Benefits Act with such frequency as to
5 constitute a general business practice.

6 (7) Failing to make a disclosure or obtain a signed
7 confirmation required under Section 15 of the Short-Term,
8 Limited-Duration Health Insurance Coverage Act or any
9 unlawful practice described in Section 30 of the
10 Short-Term, Limited-Duration Health Insurance Coverage
11 Act.

12 (Source: P.A. 99-143, eff. 7-27-15; 99-893, eff. 1-1-17.)

13 (215 ILCS 5/425) (from Ch. 73, par. 1032)

14 Sec. 425. Power of Director.

15 The Director shall have power to examine and investigate
16 into the affairs of every person engaged in the business of
17 insurance in this State, or otherwise subject to the
18 provisions of Section 30 of the Short-Term, Limited-Duration
19 Health Insurance Coverage Act, and to examine and investigate
20 into the affairs of any person domiciled in or resident of this
21 State engaged in the business of insurance in any other State,
22 Territory, Province, Possession, Country or District in which
23 he is not licensed or otherwise authorized to transact
24 business in order to determine whether such person has been or
25 is engaged in any unfair method of competition or in any unfair

1 or deceptive act or practice prohibited by Section 424.

2 (Source: Laws 1967, p. 990.)

3 (215 ILCS 5/500-70)

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

5 Sec. 500-70. License denial, nonrenewal, or revocation.

6 (a) The Director may place on probation, suspend, revoke,
7 or refuse to issue or renew an insurance producer's license or
8 may levy a civil penalty in accordance with this Section or
9 take any combination of actions, for any one or more of the
10 following causes:

11 (1) providing incorrect, misleading, incomplete, or
12 materially untrue information in the license application;

13 (2) violating any insurance laws, or violating any
14 rule, subpoena, or order of the Director or of another
15 state's insurance commissioner;

16 (3) obtaining or attempting to obtain a license
17 through misrepresentation or fraud;

18 (4) improperly withholding, misappropriating or
19 converting any moneys or properties received in the course
20 of doing insurance business;

21 (5) intentionally misrepresenting the terms of an
22 actual or proposed insurance contract or application for
23 insurance;

24 (6) having been convicted of a felony, unless the
25 individual demonstrates to the Director sufficient

1 rehabilitation to warrant the public trust; consideration
2 of such conviction of an applicant shall be in accordance
3 with Section 500-76;

4 (7) having admitted or been found to have committed
5 any insurance unfair trade practice or fraud;

6 (8) using fraudulent, coercive, or dishonest
7 practices, or demonstrating incompetence,
8 untrustworthiness or financial irresponsibility in the
9 conduct of business in this State or elsewhere;

10 (9) having an insurance producer license, or its
11 equivalent, denied, suspended, or revoked in any other
12 state, province, district or territory;

13 (10) forging a name to an application for insurance or
14 to a document related to an insurance transaction;

15 (11) improperly using notes or any other reference
16 material to complete an examination for an insurance
17 license;

18 (12) knowingly accepting insurance business from an
19 individual who is not licensed;

20 (13) failing to comply with an administrative or court
21 order imposing a child support obligation;

22 (14) failing to pay state income tax or penalty or
23 interest or comply with any administrative or court order
24 directing payment of state income tax or failed to file a
25 return or to pay any final assessment of any tax due to the
26 Department of Revenue;

1 (15) (blank); ~~or~~

2 (16) failing to comply with any provision of the
3 Viatical Settlements Act of 2009; ~~or~~

4 (17) failing to make a disclosure or obtain a signed
5 confirmation required under Section 15 of the Short-Term,
6 Limited-Duration Health Insurance Coverage Act or any
7 unlawful practice described in Section 30 of the
8 Short-Term, Limited-Duration Health Insurance Coverage
9 Act.

10 (b) If the action by the Director is to nonrenew, suspend,
11 or revoke a license or to deny an application for a license,
12 the Director shall notify the applicant or licensee and
13 advise, in writing, the applicant or licensee of the reason
14 for the suspension, revocation, denial or nonrenewal of the
15 applicant's or licensee's license. The applicant or licensee
16 may make written demand upon the Director within 30 days after
17 the date of mailing for a hearing before the Director to
18 determine the reasonableness of the Director's action. The
19 hearing must be held within not fewer than 20 days nor more
20 than 30 days after the mailing of the notice of hearing and
21 shall be held pursuant to 50 Ill. Adm. Code 2402.

22 (c) The license of a business entity may be suspended,
23 revoked, or refused if the Director finds, after hearing, that
24 an individual licensee's violation was known or should have
25 been known by one or more of the partners, officers, or
26 managers acting on behalf of the partnership, corporation,

1 limited liability company, or limited liability partnership
2 and the violation was neither reported to the Director nor
3 corrective action taken.

4 (d) In addition to or instead of any applicable denial,
5 suspension, or revocation of a license, a person may, after
6 hearing, be subject to a civil penalty of up to \$10,000 for
7 each cause for denial, suspension, or revocation, however, the
8 civil penalty may total no more than \$100,000.

9 (e) The Director has the authority to enforce the
10 provisions of and impose any penalty or remedy authorized by
11 this Article against any person who is under investigation for
12 or charged with a violation of this Code or rules even if the
13 person's license or registration has been surrendered or has
14 lapsed by operation of law.

15 (f) Upon the suspension, denial, or revocation of a
16 license, the licensee or other person having possession or
17 custody of the license shall promptly deliver it to the
18 Director in person or by mail. The Director shall publish all
19 suspensions, denials, or revocations after the suspensions,
20 denials, or revocations become final in a manner designed to
21 notify interested insurance companies and other persons.

22 (g) A person whose license is revoked or whose application
23 is denied pursuant to this Section is ineligible to apply for
24 any license for 3 years after the revocation or denial. A
25 person whose license as an insurance producer has been
26 revoked, suspended, or denied may not be employed, contracted,

1 or engaged in any insurance related capacity during the time
2 the revocation, suspension, or denial is in effect.

3 (Source: P.A. 100-286, eff. 1-1-18; 100-872, eff. 8-14-18.)

4 Section 10. The Short-Term, Limited-Duration Health
5 Insurance Coverage Act is amended by changing Sections 5, 10,
6 15, and 20 and by adding Sections 2, 25, 30, and 35 as follows:

7 (215 ILCS 190/2 new)

8 Sec. 2. Purpose and scope. This Act is intended to
9 regulate the sale, solicitation, and marketing of short-term,
10 limited-duration health insurance coverage to insurance
11 consumers, and the referral of insurance consumers to
12 short-term, limited-duration health insurance coverage, and to
13 protect consumers from confusing or deceptive marketing
14 practices. This Act applies to health insurance issuers and
15 insurance producers. Additionally, except as provided therein,
16 Section 30 applies to any other person whose business
17 transactions include advertising, referring, or directing
18 prospective insurance purchasers or enrollees to health
19 insurance coverage even when such persons are not otherwise
20 required to obtain a license, certificate, or registration
21 from the Department.

22 (215 ILCS 190/5)

23 Sec. 5. Definitions. In this Act:

1 "Department" means the Department of Insurance.

2 "Excepted benefits" has the meaning given to that term in
3 42 U.S.C. 300gg-91(c) and regulations thereunder.

4 "Health insurance coverage" has the meaning given to that
5 term in Section 5 of the Illinois Health Insurance Portability
6 and Accountability Act.

7 "Health insurance issuer" has the meaning given to that
8 term in Section 5 of the Illinois Health Insurance Portability
9 and Accountability Act.

10 "Health insurance issuer doing direct sales" means a
11 health insurance issuer that provides a means to accept a
12 completed application or enrollment form for a policy or
13 certificate of health insurance coverage directly from an
14 individual or group without any prior live interaction or
15 written correspondence between that individual or group and an
16 insurance producer. A "health insurance issuer doing direct
17 sales" includes a health insurance issuer that accepts an
18 application for health insurance coverage through its own
19 website. A "health insurance issuer doing direct sales" does
20 not include the enrollment of individuals under a group policy
21 by a non-producer representative of the group or the group's
22 own website.

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

25 "Person" means any natural or legal person, organization,
26 body, association, corporation, company, partnership, society,

1 order, aggregation of individuals, or other entity described
2 under any State or federal law.

3 "Short-term, limited-duration health insurance coverage"
4 means health insurance coverage, other than excepted benefits,
5 provided pursuant to a policy or certificate with an issuer,
6 regardless of the situs of the delivery of the policy, that has
7 an expiration date of ~~is~~ less than 365 days after the effective
8 date of the policy or certificate.

9 (Source: P.A. 100-1118, eff. 11-27-18.)

10 (215 ILCS 190/10)

11 Sec. 10. Application; scope; duration of coverage.

12 (a) This Act applies to health insurance issuers that
13 offer short-term, limited-duration health insurance coverage
14 to groups and individuals in this State and to short-term,
15 limited-duration health insurance coverage that is delivered
16 or issued for delivery in this State, including group coverage
17 issued outside of this State that covers individuals in this
18 State.

19 (b) A short-term, limited-duration health insurance
20 coverage policy or certificate may not be issued or delivered
21 to any natural or legal person residing in this State unless
22 the policy or certificate, when delivered or issued for
23 delivery in this State, complies with the provisions of this
24 Act.

25 (b-5) In addition to the entities recognized under Section

1 230.1 or 367 of the Illinois Insurance Code or under the Health
2 Maintenance Organization Act as eligible for group coverage, a
3 group policy of short-term, limited-duration health insurance
4 coverage may be issued to an institution of higher education
5 for the benefit of its enrolled students and their dependents
6 for purposes of this Act.

7 (c) Any short-term, limited-duration health insurance
8 coverage policy or certificate that is delivered or issued for
9 delivery in this State must have an expiration date in the
10 policy that is less than the lesser of 181 days after the
11 effective date or any applicable time limitation provided in
12 federal law or regulation and shall not be renewable or
13 extendable within a period of 365 days after the individual's
14 coverage under the policy ends, either at the option of the
15 issuer or the individual. Renewal of a short-term,
16 limited-duration health insurance coverage policy or
17 certificate includes the issuance of a new or different
18 short-term, limited-duration health insurance policy or
19 certificate by an issuer to a policyholder ~~within 60 days~~
20 after the expiration of a policy or certificate previously
21 issued by the issuer to the policyholder.

22 (d) An issuer may not rescind any ~~Any~~ short-term,
23 limited-duration health insurance coverage policy or
24 certificate that is delivered or issued for delivery in this
25 State ~~may not be rescinded before the expiration date in the~~
26 ~~policy,~~ except as provided in Section 154 of the Illinois

1 Insurance Code. An issuer may not cancel any such policy or
2 certificate except for nonpayment of premiums or for fraud in
3 the making of a claim or an application for the policy or
4 certificate. Notwithstanding Section 357.22 of the Illinois
5 Insurance Code, cancellations for nonpayment of premiums shall
6 not be valid except upon 10 days' notice but may be effectuated
7 retroactively back to the last date of coverage for which
8 premiums were paid ~~in cases of nonpayment of premiums, fraud,~~
9 ~~or as provided in subsection (e).~~

10 (e) Any short-term, limited-duration health insurance
11 coverage policy or certificate that is delivered or issued for
12 delivery in this State shall contain an option for an
13 individual to cancel coverage after any 30-day interval during
14 the term of the plan, counting such intervals from the
15 effective date of coverage.

16 (Source: P.A. 100-1118, eff. 11-27-18.)

17 (215 ILCS 190/15)

18 Sec. 15. Disclosure requirements.

19 (a) A health insurance issuer that offers short-term,
20 limited-duration health insurance coverage to be delivered or
21 issued for delivery in this State shall, in addition to all
22 other documents required, including, but not limited to, the
23 policy, the certificate, the membership booklet, the completed
24 and signed application or enrollment form, all signed
25 confirmations required by this Section, and a description of

1 appeal and external review rights, deliver an outline of
2 coverage to an applicant for or an enrollee in short-term,
3 limited-duration health insurance coverage delivered or issued
4 for delivery in this State.

5 (b) Any short-term, limited-duration health insurance
6 coverage policy that is delivered or issued for delivery in
7 the State shall display prominently in the policy, any
8 application, sales, and marketing materials provided in
9 connection with enrollment in such coverage, and the outline
10 of coverage for such coverage, in at least 14-point, bold
11 type, the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION
12 INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL
13 REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR
14 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF
15 COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS
16 REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS
17 ARE NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK
18 YOUR POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE
19 POLICY DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU
20 LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT
21 UNTIL THE NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH
22 INSURANCE COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM
23 INSURANCE THAT QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR
24 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO
25 PAY FOR IT AT WWW.HEALTHCARE.GOV."

26 (c) (1) Before enrolling any individual or accepting any

1 application for group or individual short-term,
2 limited-duration health insurance coverage to be delivered or
3 issued for delivery in this State, an insurance producer or a
4 health insurance issuer doing direct sales shall review with
5 the prospective purchaser or enrollee each essential health
6 benefit in the State of Illinois, identify whether the policy
7 or certificate covers that benefit, and obtain the prospective
8 purchaser or enrollee's signed confirmation of receipt of this
9 disclosure. The signed confirmation document must be in at
10 least 12-point type and must include the complete list of
11 essential health benefits and an indication for each benefit
12 as to whether the policy or certificate covers it to the extent
13 provided in the Illinois Essential Health Benefits Benchmark
14 Plan. An insurance producer or other representative of an
15 issuer or its administrator may not sign on the prospective
16 purchaser or enrollee's behalf.

17 (2) For coverage offered to an individual in this State
18 under a group policy by a representative of the group
19 policyholder or its administrator, if the issuer does not
20 receive the signed confirmation with the individual's
21 completed and signed application or enrollment form, the
22 issuer must provide this disclosure to the individual and
23 obtain the individual's signed confirmation before enrolling
24 the individual under the coverage.

25 (d) (1) Before enrolling any individual or accepting any
26 individual application for short-term, limited-duration health

1 insurance coverage, an insurance producer or a health
2 insurance issuer doing direct sales must review the complete
3 list of qualifying events for special enrollment with the
4 prospective purchaser or enrollee, verify whether the
5 individual qualifies for special enrollment on the date the
6 short-term, limited-duration health insurance coverage is
7 offered, and obtain the prospective purchaser or enrollee's
8 signed confirmation as to whether the individual has
9 experienced a qualifying event within the time frames provided
10 under the Patient Protection and Affordable Care Act. The
11 signed confirmation must be in at least 12-point type and must
12 include the complete list of qualifying events, the relevant
13 time frames for each, and an indication for each qualifying
14 event as to whether it applies to the individual. An insurance
15 producer or other representative of the issuer or its
16 administrator may not sign the confirmation on the
17 individual's behalf.

18 (2) If the individual qualifies for special enrollment, or
19 during an open enrollment period described in 42 U.S.C.
20 300gg-1, the issuer or producer, before accepting the
21 application or enrollment, must inform the individual in
22 writing and via either face-to-face interaction or telephone
23 call or voicemail about the availability of qualified health
24 plans on the healthcare.gov website. If the issuer or producer
25 also offers policies in the individual market, the issuer or
26 producer may also inform the individual of the availability of

1 such plans.

2 (3) For coverage offered to an individual in this State
3 under a group policy by a representative of the group
4 policyholder or its administrator, if the issuer does not
5 receive the signed confirmation regarding qualifying events
6 with the individual's completed and signed application or
7 enrollment form, the issuer must provide this disclosure to
8 the individual and obtain the individual's signed confirmation
9 regarding qualifying events before enrolling the individual
10 under the coverage. If the individual indicates that a
11 qualifying event has occurred within the relevant time frame,
12 the issuer must comply with paragraph (2).

13 (e) A health insurance issuer shall provide a website
14 where prospective purchasers or enrollees can review the
15 complete policy or certificate and the outline of coverage
16 before submitting their application or enrollment form. The
17 availability of this website shall be disclosed on the
18 application or enrollment form and in any sales or marketing
19 materials for the coverage.

20 (f) The policy or certificate and any application or
21 enrollment form must contain a provision stating that, during
22 a period of 10 days from the date the policy or certificate is
23 delivered, the group or individual may submit a written
24 request for retroactive cancellation of coverage and that in
25 such event the issuer will refund any premium paid for the
26 policy or certificate, including any contract fees or other

1 charges.

2 (g) In addition to the written disclosures, any insurance
3 producer ~~(e) Any individual~~ selling a short-term,
4 limited-duration health insurance coverage policy in this
5 State in face-to-face or telephonic sales interactions must
6 read out loud the disclosures ~~disclosure~~ in subsections
7 ~~subsection~~ (b), (c), (d), (e), and (f) to a prospective
8 purchaser or enrollee. An issuer ~~entity~~ selling a short-term,
9 limited-duration health insurance coverage policy or
10 certificate in Illinois must display the disclosures
11 ~~disclosure~~ in subsections ~~subsection~~ (b), (c), (d), (e), and
12 (f) on the webpage where a prospective purchaser or enrollee
13 would purchase or enroll in coverage. For sales conducted by
14 an insurance producer in face-to-face or telephonic
15 interactions, the application or enrollment form shall contain
16 an attestation to be initialed by the applicant that the
17 producer read each disclosure out loud, that the applicant
18 understood each disclosure, and that the applicant was given
19 opportunities to ask the producer questions about each
20 disclosure and to review the policy or certificate and the
21 outline of coverage.

22 (h) ~~(d)~~ Nothing in this Section precludes an issuer
23 ~~insurer~~ from providing disclosures in addition to those
24 required in subsections (b), and (c), (d), (e), and (f).
25 Nothing in this Section precludes an insurer from providing
26 disclosures intended to clarify those required in subsections

1 (b), ~~and~~ (c), (d), (e), and (f) if approved by the Department.
2 Nothing in this Section precludes an issuer from including the
3 written disclosures required in subsections (c) and (d) on the
4 application or enrollment form.

5 (i) No policy or certificate of short-term,
6 limited-duration health insurance coverage shall be delivered
7 or issued for delivery in this State unless the prospective
8 purchaser or enrollee reviews and signs the completed written
9 application or enrollment form. Any application or enrollment
10 form submitted by an insurance producer to a health insurance
11 issuer shall contain an attestation clause signed by the
12 producer stating that the producer received the signed form
13 from the applicant, that no alterations have been made to any
14 of the applicant's personal information appearing on the
15 signed form at the time the producer received it, and that the
16 applicant received and signed all disclosures described in
17 this Section.

18 (j) Nothing in this Act shall preclude a prospective
19 purchaser or enrollee from designating an authorized
20 representative to act on his or her behalf in relation to the
21 purchase or enrollment. However, no designation of an
22 insurance producer, a health insurance issuer, or an agent or
23 employee of either shall be valid with respect to the
24 disclosures, applications, enrollment forms, and signed
25 confirmations under this Section.

26 (Source: P.A. 100-1118, eff. 11-27-18.)

1 (215 ILCS 190/20)

2 Sec. 20. Filing and approval.

3 (a) Coverage subject to this Act may not be delivered or
4 issued for delivery in this State unless the health insurance
5 issuer has complied with the policy form and rate filing
6 requirements of Sections 143 and 355 of the Illinois Insurance
7 Code or Sections 4-12 and 4-13 of the Health Maintenance
8 Organization Act, as applicable, including rules thereunder
9 ~~policy evidencing such coverage has been filed with and been~~
10 ~~approved by the Department.~~

11 (b) A health insurance issuer that ~~who~~ intends to deliver
12 or issue for delivery a short-term, limited-duration health
13 insurance coverage policy or certificate in this State shall
14 file with the Department: ~~(1) all paperwork required for~~
15 ~~individual health insurance coverage pursuant to 50 Ill. Adm.~~
16 ~~Code 916; and (2) all sales and marketing materials provided~~
17 in connection with enrollment in such coverage for
18 informational purposes.

19 (c) (Blank). ~~The Department shall adopt any rules~~
20 ~~necessary to carry out the provisions of this Act.~~

21 (Source: P.A. 100-1118, eff. 11-27-18.)

22 (215 ILCS 190/25 new)

23 Sec. 25. Coverage requirements; other laws.

24 (a) Except where inconsistent with this Act, a health

1 insurance issuer that offers any policy or certificate of
2 short-term, limited-duration health insurance coverage shall
3 be subject to all Illinois insurance laws or rules not
4 specifically referenced in this Act that apply to major
5 medical accident and health insurance or health maintenance
6 organization health care plans, as applicable to the
7 certificate of authority under which the short-term,
8 limited-duration health insurance coverage is offered or
9 issued, and that do not:

10 (1) require the policy or certificate to cover
11 essential health benefits or other specified health care
12 services or to maintain parity between certain types of
13 benefits;

14 (2) prescribe standards for continuation coverage or
15 conversion privileges;

16 (3) prohibit or prescribe standards for allowable
17 cost-sharing amounts; or

18 (4) require an issuer to satisfy standards for the
19 adequacy and transparency of any provider network through
20 which the insured or enrollee is required or incentivized
21 to obtain covered health care services.

22 (b) Notwithstanding subsection (a), no State law or rule
23 shall apply to the extent that it would require a policy or
24 certificate of short-term, limited-duration health insurance
25 coverage to provide coverage for at least 3 calendar months or
26 to renew, extend, or reinstate coverage within 365 days of the

1 date that coverage terminates.

2 (c) Nothing in this Act shall exempt a health maintenance
3 organization offering short-term, limited-duration health
4 insurance coverage from the requirements for coverage of basic
5 health care services or other requirements to maintain and
6 restrictions on a certificate of authority under Sections 2-1
7 through 2-3 of the Health Maintenance Organization Act.

8 (215 ILCS 190/30 new)

9 Sec. 30. Unfair or deceptive practices relating to the
10 sale of supplemental or short-term, limited-duration health
11 insurance coverage.

12 (a) It is an unlawful method, act, or practice within the
13 meaning of this Act for any person who solicits, negotiates,
14 sells, offers, offers to enroll, issues, or delivers
15 short-term, limited-duration health insurance coverage or
16 excepted benefits within this State, or advertisers for such
17 persons, or persons whose business transactions include
18 referring or directing prospective purchasers or enrollees of
19 health insurance coverage that reside or are domiciled in this
20 State to health insurance issuers or insurance producers
21 transacting business in this State, to do any of the
22 following:

23 (1) represent or warrant to any prospective purchaser
24 or enrollee, or use language or imagery in speech or
25 published content that is suggestive, that a policy or

1 certificate of excepted benefits or short-term,
2 limited-duration health insurance coverage, or any
3 combination of such policies or certificates, constitutes
4 minimum essential coverage;

5 (2) represent or warrant to any prospective purchaser
6 or enrollee, or use language or imagery in speech or
7 published content that is suggestive, that a policy or
8 certificate of excepted benefits or short-term,
9 limited-duration health insurance coverage, or any
10 combination of such policies or certificates, is similar
11 to, is almost as beneficial as, can be used for similar
12 purposes as, or may be better for the prospective
13 purchaser or enrollee than minimum essential coverage,
14 major medical coverage that complies with all Illinois
15 requirements, a health maintenance organization health
16 care plan that complies with all Illinois requirements, a
17 voluntary health services plan, comprehensive health
18 insurance coverage, a qualified health plan, or any other
19 description of coverage indicating such policies or
20 certificates. An application or enrollment form for
21 specified disease or accident-only excepted benefits that
22 allows an individual prospective purchaser or enrollee to
23 choose coverage for a majority of the diseases, health
24 conditions, or accidents typically covered under major
25 medical accident health insurance or a health maintenance
26 organization health care plan, or that covers a majority

1 of the health care services constituting preventive care
2 under 42 U.S.C. 300gg-13, shall be deemed an unlawful
3 practice within the meaning of this Act; or

4 (3) use any logo, brand, trademark, service mark,
5 mark, device, name, tagline, slogan, descriptor, or
6 website domain that is deceptively similar to those used
7 for Get Covered Illinois or the healthcare.gov website,
8 including those that do not expressly mention Illinois or
9 its political subdivisions. This paragraph expressly
10 includes circumstances that would not violate the
11 Counterfeit Trademark Act.

12 (b) This Section does not apply to Internet search
13 engines, Internet service providers, website domain
14 registrars, Internet network hardware providers, or other
15 natural or legal persons insofar as they do not propose,
16 approve, or submit the content published by an insurance
17 producer, health insurance issuer, or their advertisers, or
18 propose, approve, or submit the content published by persons
19 whose business transactions include referring prospective
20 purchasers or enrollees resident or domiciled in this State to
21 health insurance issuers or insurance producers transacting
22 business in this State.

23 (215 ILCS 190/35 new)

24 Sec. 35. Department administration and enforcement. The
25 Department may adopt any rules necessary to carry out the

1 provisions of this Act. The Department shall have all
2 enforcement powers granted to it by law with respect to
3 accident and health insurance and health maintenance
4 organization health care plans and all persons otherwise under
5 the Director's jurisdiction.

6 Section 99. Effective date. This Act takes effect January
7 1, 2023.