



Sen. Laura Fine

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10200SB3926sam001

LRB102 24061 BMS 38138 a

1 AMENDMENT TO SENATE BILL 3926

2 AMENDMENT NO. _____. Amend Senate Bill 3926 by replacing
3 everything after the enacting clause with the following:

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

1 delivered in, and under the laws of, a State in which the
2 insurer was authorized to do an insurance business, to a group
3 properly established pursuant to law or regulation, and where
4 the policyholder is domiciled or otherwise has a bona fide
5 situs.

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

7 (215 ILCS 5/356z.18)

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

9 (a) For the purposes of this Section:

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

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

19 "Prosthetic device" means an artificial device to replace,
20 in whole or in part, an arm or leg and includes accessories
21 essential to the effective use of the device and the
22 replacement or repair of the device based on the patient's
23 physical condition as medically necessary.

24 (b) This amendatory Act of the 96th General Assembly shall
25 provide benefits to any person covered thereunder for expenses

1 incurred in obtaining a prosthetic or custom orthotic device
2 from any Illinois licensed prosthetist, licensed orthotist, or
3 licensed pedorthist as required under the Orthotics,
4 Prosthetics, and Pedorthics Practice Act.

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

23 (d) The policy or plan or contract may require prior
24 authorization for the prosthetic or orthotic devices in the
25 same manner that prior authorization is required for any other
26 covered benefit.

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

4 (f) A policy or plan or contract may require that, if
5 coverage is provided through a managed care plan, the benefits
6 mandated pursuant to this Section shall be covered benefits
7 only if the prosthetic or orthotic devices are provided by a
8 licensed provider employed by a provider service who contracts
9 with or is designated by the carrier, to the extent that the
10 carrier provides in-network and out-of-network service, the
11 coverage for the prosthetic or orthotic device shall be
12 offered no less extensively.

13 (g) The policy or plan or contract shall also meet
14 adequacy requirements as established by the Health Care
15 Reimbursement Reform Act of 1985 of the Illinois Insurance
16 Code.

17 (h) This Section shall not apply to accident only,
18 specified disease, short-term travel ~~hospital or medical~~,
19 hospital confinement indemnity, credit, dental, vision,
20 Medicare supplement, long-term care, basic hospital and
21 medical-surgical expense coverage, disability income insurance
22 coverage, coverage issued as a supplement to liability
23 insurance, workers' compensation insurance, or automobile
24 medical payment insurance.

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

1 (215 ILCS 5/367.3) (from Ch. 73, par. 979.3)

2 Sec. 367.3. Group accident and health insurance;
3 discretionary groups.

4 (a) No group health insurance offered to a resident of
5 this State under a policy issued to a group, other than one
6 specifically described in Section 367(1), shall be delivered
7 or issued for delivery in this State unless the Director
8 determines that:

9 (1) the issuance of the policy is not contrary to the
10 public interest;

11 (2) the issuance of the policy will result in
12 economies of acquisition and administration; and

13 (3) the benefits under the policy are reasonable in
14 relation to the premium charged.

15 (b) No such group health insurance may be offered in this
16 State under a policy issued in another state unless this State
17 or the state in which the group policy is issued has made a
18 determination that the requirements of subsection (a) have
19 been met.

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

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

24 (2) a copy of the statute authorizing the issuance of
25 the group policy in the state of situs, which statute has
26 the same or similar requirements as this State, or in the

1 absence of such statute, a certification by an officer of
2 the company that the policy meets the Illinois minimum
3 standards required for individual accident and health
4 policies under authority of Section 401 of this Code, as
5 now or hereafter amended, as promulgated by rule at 50
6 Illinois Administrative Code, Ch. I, Sec. 2007, et seq.,
7 as now or hereafter amended, or under the Short-Term,
8 Limited-Duration Health Insurance Coverage Act and rules
9 thereunder, as applicable, or by a successor rule;

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

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

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

19 (d) Notwithstanding subsections (a) and (b), group ~~Group~~
20 accident and health insurance subject to the provisions of
21 this Section is also subject to the provisions ~~of Section 367i~~
22 of this Code or the Short-Term, Limited-Duration Health
23 Insurance Coverage Act, as applicable, and rules thereunder
24 that pertain to group accident and health insurance.

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

1 (215 ILCS 5/367a) (from Ch. 73, par. 979a)

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

3 (1) Blanket accident and health insurance is that form of
4 accident and health insurance covering special groups of
5 persons as enumerated in one of the following paragraphs (a)
6 to (g), inclusive:

7 (a) Under a policy or contract issued to any carrier for
8 hire, which shall be deemed the policyholder, covering a group
9 defined as all persons who may become passengers on such
10 carrier.

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

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

26 (d) Under a policy or contract issued in the name of any

1 volunteer fire department, first aid, or other such volunteer
2 group, which shall be deemed the policyholder, covering all of
3 the members of such department or group.

4 (e) Under a policy or contract issued to a creditor, who
5 shall be deemed the policyholder, to insure debtors of the
6 creditors; Provided, however, that in the case of a loan which
7 is subject to the Small Loans Act, no insurance premium or
8 other cost shall be directly or indirectly charged or assessed
9 against, or collected or received from the borrower.

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

13 (g) Under a policy or contract issued to any other
14 substantially similar group which, in the discretion of the
15 Director, may be subject to the issuance of a blanket accident
16 and health policy or contract.

17 (2) Any insurance company authorized to write accident and
18 health insurance in this state shall have the power to issue
19 blanket accident and health insurance. No such blanket policy
20 may be issued or delivered in this State unless a copy of the
21 form thereof shall have been filed in accordance with Section
22 355, and it contains in substance such of those provisions
23 contained in Sections 357.1 through 357.30 as may be
24 applicable to blanket accident and health insurance and the
25 following provisions:

26 (a) A provision that the policy and the application shall

1 constitute the entire contract between the parties, and that
2 all statements made by the policyholder shall, in absence of
3 fraud, be deemed representations and not warranties, and that
4 no such statements shall be used in defense to a claim under
5 the policy, unless it is contained in a written application.

6 (b) A provision that to the group or class thereof
7 originally insured shall be added from time to time all new
8 persons or individuals eligible for coverage.

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

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

1 amount of insurance so paid.

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

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

6 (215 ILCS 5/368f)

7 Sec. 368f. Military service member insurance
8 reinstatement.

9 (a) No Illinois resident activated for military service
10 and no spouse or dependent of the resident who becomes
11 eligible for a federal government-sponsored health insurance
12 program, including the TriCare program providing coverage for
13 civilian dependents of military personnel, as a result of the
14 activation shall be denied reinstatement into the same
15 individual health insurance coverage with the health insurer
16 that the resident lapsed as a result of activation or becoming
17 covered by the federal government-sponsored health insurance
18 program. The resident shall have the right to reinstatement in
19 the same individual health insurance coverage without medical
20 underwriting, subject to payment of the current premium
21 charged to other persons of the same age and gender that are
22 covered under the same individual health coverage. Except in
23 the case of birth or adoption that occurs during the period of
24 activation, reinstatement must be into the same coverage type
25 as the resident held prior to lapsing the individual health

1 insurance coverage and at the same or, at the option of the
2 resident, higher deductible level. The reinstatement rights
3 provided under this subsection (a) are not available to a
4 resident or dependents if the activated person is discharged
5 from the military under other than honorable conditions.

6 (b) The health insurer with which the reinstatement is
7 being requested must receive a request for reinstatement no
8 later than 63 days following the later of (i) deactivation or
9 (ii) loss of coverage under the federal government-sponsored
10 health insurance program. The health insurer may request proof
11 of loss of coverage and the timing of the loss of coverage of
12 the government-sponsored coverage in order to determine
13 eligibility for reinstatement into the individual coverage.
14 The effective date of the reinstatement of individual health
15 coverage shall be the first of the month following receipt of
16 the notice requesting reinstatement.

17 (c) All insurers must provide written notice to the
18 policyholder of individual health coverage of the rights
19 described in subsection (a) of this Section. In lieu of the
20 inclusion of the notice in the individual health insurance
21 policy, an insurance company may satisfy the notification
22 requirement by providing a single written notice:

23 (1) in conjunction with the enrollment process for a
24 policyholder initially enrolling in the individual
25 coverage on or after the effective date of this amendatory
26 Act of the 94th General Assembly; or

1 (2) by mailing written notice to policyholders whose
2 coverage was effective prior to the effective date of this
3 amendatory Act of the 94th General Assembly no later than
4 90 days following the effective date of this amendatory
5 Act of the 94th General Assembly.

6 (d) The provisions of subsection (a) of this Section do
7 not apply to any policy or certificate providing coverage for
8 any specified disease, specified accident or accident-only
9 coverage, credit, dental, disability income, hospital
10 indemnity, long-term care, Medicare supplement, vision care,
11 or short-term travel ~~nonrenewable health policy~~ or other
12 limited-benefit supplemental insurance, or any coverage issued
13 as a supplement to any liability insurance, workers'
14 compensation or similar insurance, or any insurance under
15 which benefits are payable with or without regard to fault,
16 whether written on a group, blanket, or individual basis.

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

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

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

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

2 (215 ILCS 5/424) (from Ch. 73, par. 1031)

3 Sec. 424. Unfair methods of competition and unfair or
4 deceptive acts or practices defined. The following are hereby
5 defined as unfair methods of competition and unfair and
6 deceptive acts or practices in the business of insurance:

7 (1) The commission by any person of any one or more of
8 the acts defined or prohibited by Sections 134, 143.24c,
9 147, 148, 149, 151, 155.22, 155.22a, 155.42, 236, 237,
10 364, and 469 of this Code.

11 (2) Entering into any agreement to commit, or by any
12 concerted action committing, any act of boycott, coercion
13 or intimidation resulting in or tending to result in
14 unreasonable restraint of, or monopoly in, the business of
15 insurance.

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

1 other provision of this Code.

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

5 (5) Making or charging any rate for insurance against
6 losses arising from the use or ownership of a motor
7 vehicle which requires a higher premium of any person by
8 reason of his physical disability, race, color, religion,
9 or national origin.

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

13 (7) Failing to make a disclosure or obtain a signed
14 confirmation required under Section 15 of the Short-Term,
15 Limited-Duration Health Insurance Coverage Act or any
16 unlawful practice described in Section 30 of the
17 Short-Term, Limited-Duration Health Insurance Coverage
18 Act.

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

20 (215 ILCS 5/425) (from Ch. 73, par. 1032)

21 Sec. 425. Power of Director.

22 The Director shall have power to examine and investigate
23 into the affairs of every person engaged in the business of
24 insurance in this State, or otherwise subject to the
25 provisions of Section 30 of the Short-Term, Limited-Duration

1 Health Insurance Coverage Act, and to examine and investigate
2 into the affairs of any person domiciled in or resident of this
3 State engaged in the business of insurance in any other State,
4 Territory, Province, Possession, Country or District in which
5 he is not licensed or otherwise authorized to transact
6 business in order to determine whether such person has been or
7 is engaged in any unfair method of competition or in any unfair
8 or deceptive act or practice prohibited by Section 424.

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

10 (215 ILCS 5/500-70)

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

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

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

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

20 (2) violating any insurance laws, or violating any
21 rule, subpoena, or order of the Director or of another
22 state's insurance commissioner;

23 (3) obtaining or attempting to obtain a license
24 through misrepresentation or fraud;

25 (4) improperly withholding, misappropriating or

1 converting any moneys or properties received in the course
2 of doing insurance business;

3 (5) intentionally misrepresenting the terms of an
4 actual or proposed insurance contract or application for
5 insurance;

6 (6) having been convicted of a felony, unless the
7 individual demonstrates to the Director sufficient
8 rehabilitation to warrant the public trust; consideration
9 of such conviction of an applicant shall be in accordance
10 with Section 500-76;

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

13 (8) using fraudulent, coercive, or dishonest
14 practices, or demonstrating incompetence,
15 untrustworthiness or financial irresponsibility in the
16 conduct of business in this State or elsewhere;

17 (9) having an insurance producer license, or its
18 equivalent, denied, suspended, or revoked in any other
19 state, province, district or territory;

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

22 (11) improperly using notes or any other reference
23 material to complete an examination for an insurance
24 license;

25 (12) knowingly accepting insurance business from an
26 individual who is not licensed;

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

3 (14) failing to pay state income tax or penalty or
4 interest or comply with any administrative or court order
5 directing payment of state income tax or failed to file a
6 return or to pay any final assessment of any tax due to the
7 Department of Revenue;

8 (15) (blank); ~~or~~

9 (16) failing to comply with any provision of the
10 Viatical Settlements Act of 2009; or.

11 (17) failing to make a disclosure or obtain a signed
12 confirmation required under Section 15 of the Short-Term,
13 Limited-Duration Health Insurance Coverage Act or any
14 unlawful practice described in Section 30 of the
15 Short-Term, Limited-Duration Health Insurance Coverage
16 Act.

17 (b) If the action by the Director is to nonrenew, suspend,
18 or revoke a license or to deny an application for a license,
19 the Director shall notify the applicant or licensee and
20 advise, in writing, the applicant or licensee of the reason
21 for the suspension, revocation, denial or nonrenewal of the
22 applicant's or licensee's license. The applicant or licensee
23 may make written demand upon the Director within 30 days after
24 the date of mailing for a hearing before the Director to
25 determine the reasonableness of the Director's action. The
26 hearing must be held within not fewer than 20 days nor more

1 than 30 days after the mailing of the notice of hearing and
2 shall be held pursuant to 50 Ill. Adm. Code 2402.

3 (c) The license of a business entity may be suspended,
4 revoked, or refused if the Director finds, after hearing, that
5 an individual licensee's violation was known or should have
6 been known by one or more of the partners, officers, or
7 managers acting on behalf of the partnership, corporation,
8 limited liability company, or limited liability partnership
9 and the violation was neither reported to the Director nor
10 corrective action taken.

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

16 (e) The Director has the authority to enforce the
17 provisions of and impose any penalty or remedy authorized by
18 this Article against any person who is under investigation for
19 or charged with a violation of this Code or rules even if the
20 person's license or registration has been surrendered or has
21 lapsed by operation of law.

22 (f) Upon the suspension, denial, or revocation of a
23 license, the licensee or other person having possession or
24 custody of the license shall promptly deliver it to the
25 Director in person or by mail. The Director shall publish all
26 suspensions, denials, or revocations after the suspensions,

1 denials, or revocations become final in a manner designed to
2 notify interested insurance companies and other persons.

3 (g) A person whose license is revoked or whose application
4 is denied pursuant to this Section is ineligible to apply for
5 any license for 3 years after the revocation or denial. A
6 person whose license as an insurance producer has been
7 revoked, suspended, or denied may not be employed, contracted,
8 or engaged in any insurance related capacity during the time
9 the revocation, suspension, or denial is in effect.

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

11 Section 10. The Short-Term, Limited-Duration Health
12 Insurance Coverage Act is amended by changing Sections 5, 10,
13 15, and 20 and by adding Sections 2, 25, 30, and 35 as follows:

14 (215 ILCS 190/2 new)

15 Sec. 2. Purpose and scope. This Act is intended to
16 regulate the sale, solicitation, and marketing of short-term,
17 limited-duration health insurance coverage to insurance
18 consumers, and the referral of insurance consumers to
19 short-term, limited-duration health insurance coverage, and to
20 protect consumers from confusing or deceptive marketing
21 practices. This Act applies to health insurance issuers and
22 insurance producers. Additionally, except as provided therein,
23 Section 30 applies to any other person whose business
24 transactions include advertising, referring, or directing

1 prospective insurance purchasers or enrollees to health
2 insurance coverage even when such persons are not otherwise
3 required to obtain a license, certificate, or registration
4 from the Department.

5 (215 ILCS 190/5)

6 Sec. 5. Definitions. In this Act:

7 "Department" means the Department of Insurance.

8 "Excepted benefits" has the meaning given to that term in
9 42 U.S.C. 300gg-91(c) and regulations thereunder.

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

13 "Health insurance issuer" has the meaning given to that
14 term in Section 5 of the Illinois Health Insurance Portability
15 and Accountability Act.

16 "Health insurance issuer doing direct sales" means a
17 health insurance issuer that provides a means to accept a
18 completed application or enrollment form for a policy or
19 certificate of health insurance coverage directly from an
20 individual or group without any prior live interaction or
21 written correspondence between that individual or group and an
22 insurance producer. A "health insurance issuer doing direct
23 sales" includes a health insurance issuer that accepts an
24 application for health insurance coverage through its own
25 website. A "health insurance issuer doing direct sales" does

1 not include the enrollment of individuals under a group policy
2 by a non-producer representative of the group or the group's
3 own website.

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

6 "Person" means any natural or legal person, organization,
7 body, association, corporation, company, partnership, society,
8 order, aggregation of individuals, or other entity described
9 under any State or federal law.

10 "Short-term, limited-duration health insurance coverage"
11 means health insurance coverage, other than excepted benefits,
12 provided pursuant to a policy or certificate with an issuer,
13 regardless of the situs of the delivery of the policy, that has
14 an expiration date of ~~is~~ less than 365 days after the effective
15 date of the policy or certificate.

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

17 (215 ILCS 190/10)

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

19 (a) This Act applies to health insurance issuers that
20 offer short-term, limited-duration health insurance coverage
21 to groups and individuals in this State and to short-term,
22 limited-duration health insurance coverage that is delivered
23 or issued for delivery in this State, including group coverage
24 issued outside of this State that covers individuals in this
25 State.

1 (b) A short-term, limited-duration health insurance
2 coverage policy or certificate may not be issued or delivered
3 to any natural or legal person residing in this State unless
4 the policy or certificate, when delivered or issued for
5 delivery in this State, complies with the provisions of this
6 Act.

7 (b-5) In addition to the entities recognized under Section
8 230.1 or 367 of the Illinois Insurance Code or under the Health
9 Maintenance Organization Act as eligible for group coverage, a
10 group policy of short-term, limited-duration health insurance
11 coverage may be issued to an institution of higher education
12 for the benefit of its enrolled students and their dependents
13 for purposes of this Act.

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

1 after the expiration of a policy or certificate previously
2 issued by the issuer to the policyholder.

3 (d) An issuer may not rescind any ~~Any~~ short-term,
4 limited-duration health insurance coverage policy or
5 certificate that is delivered or issued for delivery in this
6 State ~~may not be rescinded before the expiration date in the~~
7 ~~policy,~~ except as provided in Section 154 of the Illinois
8 Insurance Code. An issuer may not cancel any such policy or
9 certificate except for nonpayment of premiums or for fraud in
10 the making of a claim or an application for the policy or
11 certificate. Notwithstanding Section 357.22 of the Illinois
12 Insurance Code, cancellations for nonpayment of premiums shall
13 not be valid except upon 10 days' notice but may be effectuated
14 retroactively back to the last date of coverage for which
15 premiums were paid ~~in cases of nonpayment of premiums, fraud,~~
16 ~~or as provided in subsection (e).~~

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

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

24 (215 ILCS 190/15)

25 Sec. 15. Disclosure requirements.

1 (a) A health insurance issuer that offers short-term,
2 limited-duration health insurance coverage to be delivered or
3 issued for delivery in this State shall, in addition to all
4 other documents required, including, but not limited to, the
5 policy, the certificate, the membership booklet, the completed
6 and signed application or enrollment form, all signed
7 confirmations required by this Section, and a description of
8 appeal and external review rights, deliver an outline of
9 coverage to an applicant for or an enrollee in short-term,
10 limited-duration health insurance coverage delivered or issued
11 for delivery in this State.

12 (b) Any short-term, limited-duration health insurance
13 coverage policy that is delivered or issued for delivery in
14 the State shall display prominently in the policy, any
15 application, sales, and marketing materials provided in
16 connection with enrollment in such coverage, and the outline
17 of coverage for such coverage, in at least 14-point, bold
18 type, the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION
19 INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL
20 REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR
21 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF
22 COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS
23 REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS
24 ARE NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK
25 YOUR POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE
26 POLICY DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU

1 LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT
2 UNTIL THE NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH
3 INSURANCE COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM
4 INSURANCE THAT QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR
5 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO
6 PAY FOR IT AT WWW.HEALTHCARE.GOV."

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

24 (2) For coverage offered to an individual in this State
25 under a group policy by a representative of the group
26 policyholder or its administrator, if the issuer does not

1 receive the signed confirmation with the individual's
2 completed and signed application or enrollment form, the
3 issuer must provide this disclosure to the individual and
4 obtain the individual's signed confirmation before enrolling
5 the individual under the coverage.

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

25 (2) If the individual qualifies for special enrollment, or
26 during an open enrollment period described in 42 U.S.C.

1 300gg-1, the issuer or producer, before accepting the
2 application or enrollment, must inform the individual in
3 writing and via either face-to-face interaction or telephone
4 call or voicemail about the availability of qualified health
5 plans on the healthcare.gov website. If the issuer or producer
6 also offers policies in the individual market, the issuer or
7 producer may also inform the individual of the availability of
8 such plans.

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

20 (e) A health insurance issuer shall provide a website
21 where prospective purchasers or enrollees can review the
22 complete policy or certificate and the outline of coverage
23 before submitting their application or enrollment form. The
24 availability of this website shall be disclosed on the
25 application or enrollment form and in any sales or marketing
26 materials for the coverage.

1 (f) The policy or certificate and any application or
2 enrollment form must contain a provision stating that, during
3 a period of 10 days from the date the policy or certificate is
4 delivered, the group or individual may submit a written
5 request for retroactive cancellation of coverage and that in
6 such event the issuer will refund any premium paid for the
7 policy or certificate, including any contract fees or other
8 charges.

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

1 disclosure and to review the policy or certificate and the
2 outline of coverage.

3 (h) ~~(d)~~ Nothing in this Section precludes an issuer
4 insurer from providing disclosures in addition to those
5 required in subsections (b), ~~and~~ (c), (d), (e), and (f).
6 Nothing in this Section precludes an insurer from providing
7 disclosures intended to clarify those required in subsections
8 (b), ~~and~~ (c), (d), (e), and (f) if approved by the Department.
9 Nothing in this Section precludes an issuer from including the
10 written disclosures required in subsections (c) and (d) on the
11 application or enrollment form.

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

25 (j) Nothing in this Act shall preclude a prospective
26 purchaser or enrollee from designating an authorized

1 representative to act on his or her behalf in relation to the
2 purchase or enrollment. However, no designation of an
3 insurance producer, a health insurance issuer, or an agent or
4 employee of either shall be valid with respect to the
5 disclosures, applications, enrollment forms, and signed
6 confirmations under this Section.

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

8 (215 ILCS 190/20)

9 Sec. 20. Filing and approval.

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

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

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

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

4 (215 ILCS 190/25 new)

5 Sec. 25. Coverage requirements; other laws.

6 (a) Except where inconsistent with this Act, a health
7 insurance issuer that offers any policy or certificate of
8 short-term, limited-duration health insurance coverage shall
9 be subject to all Illinois insurance laws or rules not
10 specifically referenced in this Act that apply to major
11 medical accident and health insurance or health maintenance
12 organization health care plans, as applicable to the
13 certificate of authority under which the short-term,
14 limited-duration health insurance coverage is offered or
15 issued, and that do not:

16 (1) require the policy or certificate to cover
17 essential health benefits or other specified health care
18 services or to maintain parity between certain types of
19 benefits;

20 (2) prescribe standards for continuation coverage or
21 conversion privileges;

22 (3) prohibit or prescribe standards for allowable
23 cost-sharing amounts; or

24 (4) require an issuer to satisfy standards for the
25 adequacy and transparency of any provider network through

1 which the insured or enrollee is required or incentivized
2 to obtain covered health care services.

3 (b) Notwithstanding subsection (a), no State law or rule
4 shall apply to the extent that it would require a policy or
5 certificate of short-term, limited-duration health insurance
6 coverage to provide coverage for at least 3 calendar months or
7 to renew, extend, or reinstate coverage within 365 days of the
8 date that coverage terminates.

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

15 (215 ILCS 190/30 new)

16 Sec. 30. Unfair or deceptive practices relating to the
17 sale of supplemental or short-term, limited-duration health
18 insurance coverage.

19 (a) It is an unlawful method, act, or practice within the
20 meaning of this Act for any person who solicits, negotiates,
21 sells, offers, offers to enroll, issues, or delivers
22 short-term, limited-duration health insurance coverage or
23 excepted benefits within this State, or advertisers for such
24 persons, or persons whose business transactions include
25 referring or directing prospective purchasers or enrollees of

1 health insurance coverage that reside or are domiciled in this
2 State to health insurance issuers or insurance producers
3 transacting business in this State, to do any of the
4 following:

5 (1) 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, constitutes
11 minimum essential coverage;

12 (2) represent or warrant to any prospective purchaser
13 or enrollee, or use language or imagery in speech or
14 published content that is suggestive, that a policy or
15 certificate of excepted benefits or short-term,
16 limited-duration health insurance coverage, or any
17 combination of such policies or certificates, is similar
18 to, is almost as beneficial as, can be used for similar
19 purposes as, or may be better for the prospective
20 purchaser or enrollee than minimum essential coverage,
21 major medical coverage that complies with all Illinois
22 requirements, a health maintenance organization health
23 care plan that complies with all Illinois requirements, a
24 voluntary health services plan, comprehensive health
25 insurance coverage, a qualified health plan, or any other
26 description of coverage indicating such policies or

1 certificates. An application or enrollment form for
2 specified disease or accident-only excepted benefits that
3 allows an individual prospective purchaser or enrollee to
4 choose coverage for a majority of the diseases, health
5 conditions, or accidents typically covered under major
6 medical accident health insurance or a health maintenance
7 organization health care plan, or that covers a majority
8 of the health care services constituting preventive care
9 under 42 U.S.C. 300gg-13, shall be deemed an unlawful
10 practice within the meaning of this Act; or

11 (3) use any logo, brand, trademark, service mark,
12 mark, device, name, tagline, slogan, descriptor, or
13 website domain that is deceptively similar to those used
14 for Get Covered Illinois or the healthcare.gov website,
15 including those that do not expressly mention Illinois or
16 its political subdivisions. This paragraph expressly
17 includes circumstances that would not violate the
18 Counterfeit Trademark Act.

19 (b) This Section does not apply to Internet search
20 engines, Internet service providers, website domain
21 registrars, Internet network hardware providers, or other
22 natural or legal persons insofar as they do not propose,
23 approve, or submit the content published by an insurance
24 producer, health insurance issuer, or their advertisers, or
25 propose, approve, or submit the content published by persons
26 whose business transactions include referring prospective

1 purchasers or enrollees resident or domiciled in this State to
2 health insurance issuers or insurance producers transacting
3 business in this State.

4 (215 ILCS 190/35 new)

5 Sec. 35. Department administration and enforcement. The
6 Department may adopt any rules necessary to carry out the
7 provisions of this Act. The Department shall have all
8 enforcement powers granted to it by law with respect to
9 accident and health insurance and health maintenance
10 organization health care plans and all persons otherwise under
11 the Director's jurisdiction.

12 Section 99. Effective date. This Act takes effect January
13 1, 2023.".