

1 AN ACT in relation to insurance.

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

4 Section 5. The Health Maintenance Organization Act is
5 amended by changing Section 2-5 as follows:

6 (215 ILCS 125/2-5) (from Ch. 111 1/2, par. 1406.1)

7 Sec. 2-5. Claims Liabilities. A Every Health
8 Maintenance Organization shall, at all times, maintain
9 liabilities in an amount estimated in the aggregate to
10 provide for the payment of all claims incurred and any due
11 and unpaid provider capitation, whether reported or
12 unreported, which are unpaid and for which such organization
13 is or may be liable, and to provide for the expense of
14 adjustment or settlement of such claims. Such liabilities
15 shall be computed in accordance with regulations promulgated
16 by the Director upon reasonable consideration of the
17 ascertained experience and character of such business for the
18 purpose of adequately protecting enrollees and securing the
19 solvency of such organizations.

20 Whenever the claim and claim expense experience of any
21 such organization shows the liabilities calculated in
22 accordance with such regulations to be inadequate, the
23 Director may require such organization to maintain additional
24 liabilities.

25 (Source: P.A. 86-620.)