



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/05/04, by Frank J. Mautino

**SYNOPSIS AS INTRODUCED:**

215 ILCS 5/351B-1	from Ch. 73, par. 963B-1
215 ILCS 5/351B-2	from Ch. 73, par. 963B-2
215 ILCS 5/351B-3	from Ch. 73, par. 963B-3
215 ILCS 5/351B-6	from Ch. 73, par. 963B-6

Amends the Small Employer Group Health Insurance Law. Changes the short title of the Act. Modifies the minimum and maximum number of employees, members, or employees of members necessary to require employers to provide the health insurance policies. Modifies the date the Director shall provide a written report of data from health insurers and employers relating to the coverage sold under this Article to the Governor and to the General Assembly. Makes other changes in language. Effective immediately.

LRB093 20965 SAS 46951 b

1 AN ACT concerning insurance.

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 351B-1, 351B-2, 351B-3, and 351B-6 as  
6 follows:

7 (215 ILCS 5/351B-1) (from Ch. 73, par. 963B-1)

8 Sec. 351B-1. Short title. This Article may be cited as the  
9 Small Employer Group Health Insurance Coverage Choice Law.  
10 (Source: P.A. 86-1407.)

11 (215 ILCS 5/351B-2) (from Ch. 73, par. 963B-2)

12 Sec. 351B-2. Findings and purpose.

13 (a) The General Assembly finds that the cost of group  
14 health insurance is becoming unaffordable to many small  
15 employers and their employees. Further, because of the higher  
16 cost ~~unaffordability~~ of this type of insurance, in some cases  
17 due to the cost of mandated benefits, a significant segment of  
18 the State's working population is unable to pay for many health  
19 care services which is increasing the cost of health insurance  
20 for current purchasers through a cost shift.

21 (b) It is the purpose and intent of this amendatory Act of  
22 1990 to authorize a program whereby small employers may obtain  
23 affordable group health insurance that will increase access to  
24 health care, assist in the reduction of the amount of  
25 uncompensated care, and reduce the number of uninsured people  
26 in this State.

27 (Source: P.A. 86-1407.)

28 (215 ILCS 5/351B-3) (from Ch. 73, par. 963B-3)

29 Sec. 351B-3. Small employer group accident and health  
30 insurance.

1 (a) Small employer group accident and health insurance is  
2 hereby declared to be that form of accident and health  
3 insurance that provides coverage for each person insured under  
4 the group policy for the expenses incurred because of care  
5 rendered by a physician or hospital for the treatment of an  
6 injury or sickness and which covers at least 2 but not more  
7 than 50 ~~25~~ employees, members, or employees of members  
8 (exclusive of dependents) written under a master policy issued  
9 to any governmental corporation, unit, agency, or department  
10 thereof or to any corporation, copartnership, or individual  
11 employer or to any association upon application of an executive  
12 officer or trustee of an association having a constitution or  
13 bylaws and formed in good faith for purposes other than that of  
14 obtaining insurance, where officers, members, employees, or  
15 employees of members or classes or departments thereof may be  
16 insured for their individual benefit. In addition, a small  
17 employer group accident and health policy may be written to  
18 insure any group that may be insured under a group life  
19 insurance policy as long as the number of employees, members,  
20 or employees of members (exclusive of dependents) is at least 2  
21 but does not more than 50 ~~exceed 25~~. The term "employees" shall  
22 include the officers, managers, and employees of subsidiary or  
23 affiliated corporations, and the individual proprietors,  
24 partners, and employees of affiliated individuals or firms when  
25 the business of the subsidiary or affiliated corporations or  
26 affiliated firms or individuals is controlled by a common  
27 employer through stock ownership, contract, or otherwise.

28 (b) For the purpose of providing coverage authorized under  
29 this Article a trust composed of employers or members each of  
30 which has at least 2 but no more than 50 ~~25 or fewer~~ employees  
31 (exclusive of dependents) may serve as the master policyholder.  
32 (Source: P.A. 86-1407.)

33 (215 ILCS 5/351B-6) (from Ch. 73, par. 963B-6)

34 Sec. 351B-6. The Director shall by rule prescribe a method  
35 to collect data from health insurers and employers relating to

1 the coverage sold under this Article. The data shall include  
2 the number of groups purchasing this coverage, the extent to  
3 which other coverage has been replaced with this coverage, if  
4 any, the number of insureds, and a summary of the types of  
5 coverage provided by policies authorized by this Article.  
6 Statistically valid survey methods may be used to compile this  
7 data.

8 Not later than March 31, 2006 ~~1993~~, the Director shall  
9 provide a written report of this data to the Governor and to  
10 the General Assembly.

11 (Source: P.A. 86-1407.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.