



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/06/04, by Tom Cross

SYNOPSIS AS INTRODUCED:

215 ILCS 125/2-5

from Ch. 111 1/2, par. 1406.1

Amends the Health Maintenance Organization Act. Makes a technical change in a Section concerning claims liability.

LRB093 15120 SAS 40715 b

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

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

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