

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.)