



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB0032**

Introduced 1/26/2005, by Sen. Susan Garrett

**SYNOPSIS AS INTRODUCED:**

215 ILCS 5/351A-8

from Ch. 73, par. 963A-8

Amends the Illinois Insurance Code. Requires long-term care insurers to include a statement in an outline of coverage that premiums may be subject to monetary increases during the time that the policy is in force and that directs the applicant to read and understand any reservation in the policy that may cause the premium to change. Effective immediately.

LRB094 04163 LJB 34185 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 Section 351A-8 as follows:

6 (215 ILCS 5/351A-8) (from Ch. 73, par. 963A-8)

7 Sec. 351A-8. Outline of coverage.

8 (a) An outline of coverage shall be delivered to a  
9 prospective applicant for long-term care insurance at the time  
10 of initial solicitation through means which prominently direct  
11 the attention of the recipient to the document and its purpose.

12 (1) The Director shall prescribe a standard format  
13 including style, arrangement and overall appearance and  
14 the content of an outline of coverage.

15 (2) In the case of agent solicitations, an agent must  
16 deliver the outline of coverage prior to the presentation  
17 of an application or enrollment form.

18 (3) In the case of direct response solicitations, the  
19 outline of coverage must be presented in conjunction with  
20 any application or enrollment form.

21 (b) The outline of coverage shall include:

22 (1) A description of the principal benefits and  
23 coverage provided in the policy.

24 (2) A statement of the principal exclusions,  
25 reductions and limitations contained in the policy.

26 (3) A statement of the terms under which the policy or  
27 certificate, or both, may be continued in force or  
28 discontinued, including any reservation in the policy of a  
29 right to change premium. Continuation or conversion  
30 provisions of group coverage shall be specifically  
31 described.

32 (4) A statement that the outline of coverage is a

1 summary only, not a contract of insurance, and that the  
2 policy or group master policy contain governing  
3 contractual provisions.

4 (5) A description of the terms under which the policy  
5 or certificate may be returned and premium refunded.

6 (6) A brief description of the relationship of cost of  
7 care and benefits.

8 (7) A statement that discloses to the policyholder or  
9 certificate holder whether the policy is intended to be a  
10 federally tax-qualified long-term care insurance contract  
11 under 7702B(b) of the Internal Revenue Code of 1986, as  
12 amended.

13 (8) A statement that informs the applicant that  
14 premiums may be subject to monetary increases during the  
15 time the policy is in force. The statement shall be  
16 displayed in not less than 12-point bold face type and  
17 shall direct the applicant to read and understand any  
18 reservation in the policy that may cause the premium to  
19 change.

20 (Source: P.A. 92-148, eff. 7-24-01.)

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.