



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3096

Introduced 2/8/2010, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

760 ILCS 55/20 new

Amends the Charitable Trust Act. Sets forth a definition of "Medical Sharing Trust". Provides that an organization complying with the provisions concerning a Medical Sharing Trust is not subject to the provisions of the Illinois Insurance Code, except that a Medical Sharing Trust offering any services other than a Medical Sharing Trust that are regulated under any provision of the Illinois Insurance Code shall be required to comply with the Illinois Insurance Code with respect to the provision of those services. Sets forth registration requirements for a Medical Sharing Trust. Provides that a Medical Sharing Trust may facilitate payments between participants who have present medical needs and participants with the ability to pay for the benefits of those participants in need. Sets forth requirements concerning the operation of a Medical Sharing Trust.

LRB096 20150 RPM 35695 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 Charitable Trust Act is amended by adding
5 Section 20 as follows:

6 (760 ILCS 55/20 new)

7 Sec. 20. Medical Sharing Trust Law.

8 (a) This Section may be referred to as the Medical Sharing
9 Trust Law.

10 (b) For the purposes of this Section "Medical Sharing
11 Trust" means an organization that facilitates payment of the
12 medical expenses of its participants as provided in this
13 Section and complies with all provisions of this Act and the
14 Solicitation for Charity Act.

15 (c) An organization complying with this Section as a
16 Medical Sharing Trust is not subject to the provisions of the
17 Illinois Insurance Code, except that a Medical Sharing Trust
18 offering any services other than a Medical Sharing Trust that
19 are regulated under any provision of the Illinois Insurance
20 Code shall be required to comply with the Illinois Insurance
21 Code with respect to the provision of those services.

22 (d) No Medical Sharing Trust shall be offered, issued,
23 sold, or solicited to participants in this State as exempt

1 under subsection (c) of this Section unless the Medical Sharing
2 Trust has complied with all requirements set forth in
3 subsections (b) and (e) of this Section.

4 (e) The following provisions shall apply concerning the
5 operation of a Medical Sharing Trust:

6 (1) A Medical Sharing Trust may facilitate payments
7 between participants who have present medical needs and
8 participants with the ability to pay for the benefit of
9 those participants in need. A Medical Sharing Trust is
10 prohibited from assuming liability for or guaranteeing
11 payment of any medical expenses.

12 (2) All participants shall execute a release stating
13 that no other participants or the Medical Sharing Trust
14 shall be legally obligated in any way to pay for a medical
15 need.

16 (3) A Medical Sharing Trust may facilitate the payments
17 provided for in paragraph (1) of this subsection (e)
18 through payments made directly from one participant to
19 another.

20 (4) A Medical Sharing Trust may cancel the membership
21 of a participant when that participant indicates their
22 unwillingness to participate by failing to make a payment
23 to another participant for a period in excess of 60 days.

24 (5) A Medical Sharing Trust may establish
25 qualifications of participation relating to the health of
26 the prospective participant.

1 (6) A Medical Sharing Trust may establish
2 qualifications as to the participants' physical or medical
3 needs necessary for eligibility for payment among the
4 participants.

5 (7) A Medical Sharing Trust shall provide the following
6 verbatim written disclaimer on all applications for
7 membership or participation:

8 "WARNING: This organization is not insurance or an
9 insurance policy nor is it offered through an insurance
10 company. Whether anyone chooses to assist you with your
11 medical bills will be totally voluntary, as no other
12 member will be compelled by law to contribute toward
13 your medical bills. As such, this organization should
14 never be considered to be providing insurance. Whether
15 you receive any payments for medical expenses and
16 whether or not this organization continues to operate,
17 you are always personally responsible for the payment
18 of your own medical bills. This organization is not
19 subject to the regulatory requirements of the Illinois
20 Insurance Code."

21 (8) A Medical Sharing Trust shall provide to its
22 participants, within 30 days after enrollment, a complete
23 set of its rules for the sharing of needs, appeals of
24 decisions made by the Medical Sharing Trust and the filing
25 of complaints in the participant's native language if
26 requested by the participant.

1 (9) A Medical Sharing Trust shall have a Certificate of
2 Authority to do business in Illinois.

3 (10) A Medical Sharing Trust shall be controlled by a
4 board of directors, the majority of which is elected by its
5 members.