



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2757

Introduced 1/13/2026, by Sen. Jil Tracy

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/121-2.05	from Ch. 73, par. 733-2.05
215 ILCS 5/367.3	from Ch. 73, par. 979.3
215 ILCS 5/367a	from Ch. 73, par. 979a
215 ILCS 5/352c rep.	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 190/Act title	
215 ILCS 190/1	
215 ILCS 190/5	
215 ILCS 190/10	
215 ILCS 190/15	
215 ILCS 190/20	
215 ILCS 190/99	

Amends the Illinois Insurance Code. Repeals provisions prohibiting short-term, limited-duration insurance and makes conforming changes. Amends the Health Maintenance Organization Act and the Limited Health Service Organization Act to make conforming changes. Reenacts the Short-Term, Limited-Duration Health Insurance Coverage Act.

LRB104 16590 BAB 29989 b

1 AN ACT concerning regulation.

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 121-2.05, 367.3, and 367a as follows:

6 (215 ILCS 5/121-2.05) (from Ch. 73, par. 733-2.05)

7 Sec. 121-2.05. Group insurance policies issued and  
8 delivered in other State-Transactions in this State. With the  
9 exception of insurance transactions authorized under Sections  
10 230.2 or 367.3 of this Code ~~or transactions described under~~  
11 ~~Section 352e~~, transactions in this State involving group  
12 legal, group life and group accident and health or blanket  
13 accident and health insurance or group annuities where the  
14 master policy of such groups was lawfully issued and delivered  
15 in, and under the laws of, a State in which the insurer was  
16 authorized to do an insurance business, to a group properly  
17 established pursuant to law or regulation, and where the  
18 policyholder is domiciled or otherwise has a bona fide situs.

19 (Source: P.A. 103-649, eff. 1-1-25.)

20 (215 ILCS 5/367.3) (from Ch. 73, par. 979.3)

21 Sec. 367.3. Group accident and health insurance;  
22 discretionary groups.

1 (a) No group health insurance offered to a resident of  
2 this State under a policy issued to a group, other than one  
3 specifically described in Section 367(1), shall be delivered  
4 or issued for delivery in this State unless the Director  
5 determines that:

6 (1) the issuance of the policy is not contrary to the  
7 public interest;

8 (2) the issuance of the policy will result in  
9 economies of acquisition and administration; and

10 (3) the benefits under the policy are reasonable in  
11 relation to the premium charged.

12 (b) No such group health insurance may be offered in this  
13 State under a policy issued in another state unless this State  
14 or the state in which the group policy is issued has made a  
15 determination that the requirements of subsection (a) have  
16 been met.

17 Where insurance is to be offered in this State under a  
18 policy described in this subsection, the insurer shall file  
19 for informational review purposes:

20 (1) a copy of the group master contract;

21 (2) a copy of the statute authorizing the issuance of  
22 the group policy in the state of situs, which statute has  
23 the same or similar requirements as this State, or in the  
24 absence of such statute, a certification by an officer of  
25 the company that the policy meets the Illinois minimum  
26 standards required for individual accident and health

1 policies under authority of Section 401 of this Code, as  
2 now or hereafter amended, as promulgated by rule at 50  
3 Illinois Administrative Code, Ch. I, Sec. 2007, et seq.,  
4 as now or hereafter amended, or by a successor rule;

5 (3) evidence of approval by the state of situs of the  
6 group master policy; and

7 (4) copies of all supportive material furnished to the  
8 state of situs to satisfy the criteria for approval.

9 (c) The Director may, at any time after receipt of the  
10 information required under subsection (b) and after finding  
11 that the standards of subsection (a) have not been met, order  
12 the insurer to cease the issuance or marketing of that  
13 coverage in this State.

14 (d) Notwithstanding subsections (a) and (b), group  
15 accident and health insurance subject to the provisions of  
16 this Section is also subject to the provisions of ~~Sections~~  
17 ~~352e and Section~~ Section 367i of this Code and rules thereunder.

18 (Source: P.A. 103-649, eff. 1-1-25.)

19 (215 ILCS 5/367a) (from Ch. 73, par. 979a)

20 Sec. 367a. Blanket accident and health insurance.

21 (1) Blanket accident and health insurance is the form of  
22 accident and health insurance providing excepted benefits, as  
23 defined in 42 U.S.C. 300gg-91 and implementing regulations  
24 ~~Section 352e~~, that covers special groups of persons as  
25 enumerated in one of the following paragraphs (a) to (g),

1 inclusive:

2 (a) Under a policy or contract issued to any carrier  
3 for hire, which shall be deemed the policyholder, covering  
4 a group defined as all persons who may become passengers  
5 on such carrier.

6 (b) Under a policy or contract issued to an employer,  
7 who shall be deemed the policyholder, covering all  
8 employees or any group of employees defined by reference  
9 to exceptional hazards incident to such employment.

10 (c) Under a policy or contract issued to a college,  
11 school, or other institution of learning or to the head or  
12 principal thereof, who or which shall be deemed the  
13 policyholder, covering students or teachers. However,  
14 student health insurance coverage, as defined in 45 CFR  
15 147.145, shall remain subject to the standards and  
16 requirements for individual health insurance coverage  
17 except where inconsistent with that regulation. Student  
18 health insurance coverage shall not be subject to the  
19 Short-Term, Limited-Duration Health Insurance Coverage  
20 Act. An insurer providing student health insurance  
21 coverage or a policy or contract covering students for  
22 limited-scope dental or vision under 45 CFR 148.220 shall  
23 require an individual application or enrollment form and  
24 shall furnish each insured individual a certificate, which  
25 shall have been approved by the Director under Section  
26 355.

1           (d) Under a policy or contract issued in the name of  
2           any volunteer fire department, first aid, or other such  
3           volunteer group, which shall be deemed the policyholder,  
4           covering all of the members of such department or group.

5           (e) Under a policy or contract issued to a creditor,  
6           who shall be deemed the policyholder, to insure debtors of  
7           the creditors; Provided, however, that in the case of a  
8           loan which is subject to the Small Loans Act, no insurance  
9           premium or other cost shall be directly or indirectly  
10          charged or assessed against, or collected or received from  
11          the borrower.

12          (f) Under a policy or contract issued to a sports team  
13          or to a camp, which team or camp sponsor shall be deemed  
14          the policyholder, covering members or campers.

15          (g) Under a policy or contract issued to any other  
16          substantially similar group which, in the discretion of  
17          the Director, may be subject to the issuance of a blanket  
18          accident and health policy or contract.

19          (2) Any insurance company authorized to write accident and  
20          health insurance in this state shall have the power to issue  
21          blanket accident and health insurance. No such blanket policy  
22          may be issued or delivered in this State unless a copy of the  
23          form thereof shall have been filed in accordance with Section  
24          355, and it contains in substance such of those provisions  
25          contained in Sections 357.1 through 357.30 as may be  
26          applicable to blanket accident and health insurance and the

1 following provisions:

2 (a) A provision that the policy and the application  
3 shall constitute the entire contract between the parties,  
4 and that all statements made by the policyholder shall, in  
5 absence of fraud, be deemed representations and not  
6 warranties, and that no such statements shall be used in  
7 defense to a claim under the policy, unless it is  
8 contained in a written application.

9 (b) A provision that to the group or class thereof  
10 originally insured shall be added from time to time all  
11 new persons or individuals eligible for coverage.

12 (3) An individual application shall not be required from a  
13 person covered under a blanket accident or health policy or  
14 contract, nor shall it be necessary for the insurer to furnish  
15 each person a certificate.

16 (3.5) Subsection (3) does not apply to major medical  
17 insurance, or to any excepted benefits or short-term,  
18 limited-duration health insurance coverage for which an  
19 insured individual pays premiums or contributions. In those  
20 cases, the insurer shall require an individual application or  
21 enrollment form and shall furnish each insured individual a  
22 certificate, which shall have been approved by the Director  
23 under Section 355 of this Code.

24 (4) All benefits under any blanket accident and health  
25 policy shall be payable to the person insured, or to his  
26 designated beneficiary or beneficiaries, or to his or her

1 estate, except that if the person insured be a minor or person  
2 under legal disability, such benefits may be made payable to  
3 his or her parent, guardian, or other person actually  
4 supporting him or her. Provided further, however, that the  
5 policy may provide that all or any portion of any indemnities  
6 provided by any such policy on account of hospital, nursing,  
7 medical or surgical services may, at the insurer's option, be  
8 paid directly to the hospital or person rendering such  
9 services; but the policy may not require that the service be  
10 rendered by a particular hospital or person. Payment so made  
11 shall discharge the insurer's obligation with respect to the  
12 amount of insurance so paid.

13 (5) Nothing contained in this Section shall be deemed to  
14 affect the legal liability of policyholders for the death of  
15 or injury to, any such member of such group.

16 (Source: P.A. 103-649, eff. 1-1-25; 103-718, eff. 1-1-25;  
17 104-417, eff. 8-15-25.)

18 (215 ILCS 5/352c rep.)

19 Section 7. The Illinois Insurance Code is amended by  
20 repealing Section 352c.

21 Section 10. The Health Maintenance Organization Act is  
22 amended by changing Section 5-3 as follows:

23 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

1 (Text of Section before amendment by P.A. 103-808, 104-28,  
2 104-68, 104-73, 104-98, 104-289, 104-324, and 104-379)

3 Sec. 5-3. Illinois Insurance Code provisions.

4 (a) Health Maintenance Organizations shall be subject to  
5 the provisions of Sections 133, 134, 136, 137, 139, 140,  
6 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
7 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
8 155.49, ~~352e~~, 355.2, 355.3, 355.6, 355b, 355c, 356f, 356g.5-1,  
9 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2, 356z.3a,  
10 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10,  
11 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18,  
12 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24, 356z.25,  
13 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32, 356z.33,  
14 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39, 356z.40,  
15 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46, 356z.47,  
16 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54, 356z.55,  
17 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61, 356z.62,  
18 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68, 356z.69,  
19 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75, 356z.76,  
20 356z.77, 356z.78, 356z.79, 356z.81, ~~356z.80~~, 364, 364.01,  
21 364.3, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,  
22 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409,  
23 412, 444, and 444.1, paragraph (c) of subsection (2) of  
24 Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,  
25 XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois Insurance  
26 Code. Section 356z.81 ~~365z.80~~ of the Illinois Insurance Code

1 is not applicable to health care plans under contract with the  
2 Department of Healthcare and Family Services.

3 (b) For purposes of the Illinois Insurance Code, except  
4 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,  
5 Health Maintenance Organizations in the following categories  
6 are deemed to be "domestic companies":

7 (1) a corporation authorized under the Dental Service  
8 Plan Act or the Voluntary Health Services Plans Act;

9 (2) a corporation organized under the laws of this  
10 State; or

11 (3) a corporation organized under the laws of another  
12 state, 30% or more of the enrollees of which are residents  
13 of this State, except a corporation subject to  
14 substantially the same requirements in its state of  
15 organization as is a "domestic company" under Article VIII  
16 1/2 of the Illinois Insurance Code.

17 (c) In considering the merger, consolidation, or other  
18 acquisition of control of a Health Maintenance Organization  
19 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

20 (1) the Director shall give primary consideration to  
21 the continuation of benefits to enrollees and the  
22 financial conditions of the acquired Health Maintenance  
23 Organization after the merger, consolidation, or other  
24 acquisition of control takes effect;

25 (2) (i) the criteria specified in subsection (1) (b) of  
26 Section 131.8 of the Illinois Insurance Code shall not

1 apply and (ii) the Director, in making his determination  
2 with respect to the merger, consolidation, or other  
3 acquisition of control, need not take into account the  
4 effect on competition of the merger, consolidation, or  
5 other acquisition of control;

6 (3) the Director shall have the power to require the  
7 following information:

8 (A) certification by an independent actuary of the  
9 adequacy of the reserves of the Health Maintenance  
10 Organization sought to be acquired;

11 (B) pro forma financial statements reflecting the  
12 combined balance sheets of the acquiring company and  
13 the Health Maintenance Organization sought to be  
14 acquired as of the end of the preceding year and as of  
15 a date 90 days prior to the acquisition, as well as pro  
16 forma financial statements reflecting projected  
17 combined operation for a period of 2 years;

18 (C) a pro forma business plan detailing an  
19 acquiring party's plans with respect to the operation  
20 of the Health Maintenance Organization sought to be  
21 acquired for a period of not less than 3 years; and

22 (D) such other information as the Director shall  
23 require.

24 (d) The provisions of Article VIII 1/2 of the Illinois  
25 Insurance Code and this Section 5-3 shall apply to the sale by  
26 any health maintenance organization of greater than 10% of its

1 enrollee population (including, without limitation, the health  
2 maintenance organization's right, title, and interest in and  
3 to its health care certificates).

4 (e) In considering any management contract or service  
5 agreement subject to Section 141.1 of the Illinois Insurance  
6 Code, the Director (i) shall, in addition to the criteria  
7 specified in Section 141.2 of the Illinois Insurance Code,  
8 take into account the effect of the management contract or  
9 service agreement on the continuation of benefits to enrollees  
10 and the financial condition of the health maintenance  
11 organization to be managed or serviced, and (ii) need not take  
12 into account the effect of the management contract or service  
13 agreement on competition.

14 (f) Except for small employer groups as defined in the  
15 Small Employer Rating, Renewability and Portability Health  
16 Insurance Act and except for medicare supplement policies as  
17 defined in Section 363 of the Illinois Insurance Code, a  
18 Health Maintenance Organization may by contract agree with a  
19 group or other enrollment unit to effect refunds or charge  
20 additional premiums under the following terms and conditions:

21 (i) the amount of, and other terms and conditions with  
22 respect to, the refund or additional premium are set forth  
23 in the group or enrollment unit contract agreed in advance  
24 of the period for which a refund is to be paid or  
25 additional premium is to be charged (which period shall  
26 not be less than one year); and

1           (ii) the amount of the refund or additional premium  
2 shall not exceed 20% of the Health Maintenance  
3 Organization's profitable or unprofitable experience with  
4 respect to the group or other enrollment unit for the  
5 period (and, for purposes of a refund or additional  
6 premium, the profitable or unprofitable experience shall  
7 be calculated taking into account a pro rata share of the  
8 Health Maintenance Organization's administrative and  
9 marketing expenses, but shall not include any refund to be  
10 made or additional premium to be paid pursuant to this  
11 subsection (f)). The Health Maintenance Organization and  
12 the group or enrollment unit may agree that the profitable  
13 or unprofitable experience may be calculated taking into  
14 account the refund period and the immediately preceding 2  
15 plan years.

16           The Health Maintenance Organization shall include a  
17 statement in the evidence of coverage issued to each enrollee  
18 describing the possibility of a refund or additional premium,  
19 and upon request of any group or enrollment unit, provide to  
20 the group or enrollment unit a description of the method used  
21 to calculate (1) the Health Maintenance Organization's  
22 profitable experience with respect to the group or enrollment  
23 unit and the resulting refund to the group or enrollment unit  
24 or (2) the Health Maintenance Organization's unprofitable  
25 experience with respect to the group or enrollment unit and  
26 the resulting additional premium to be paid by the group or

1 enrollment unit.

2 In no event shall the Illinois Health Maintenance  
3 Organization Guaranty Association be liable to pay any  
4 contractual obligation of an insolvent organization to pay any  
5 refund authorized under this Section.

6 (g) Rulemaking authority to implement Public Act 95-1045,  
7 if any, is conditioned on the rules being adopted in  
8 accordance with all provisions of the Illinois Administrative  
9 Procedure Act and all rules and procedures of the Joint  
10 Committee on Administrative Rules; any purported rule not so  
11 adopted, for whatever reason, is unauthorized.

12 (Source: P.A. 103-84, eff. 1-1-24; 103-91, eff. 1-1-24;  
13 103-123, eff. 1-1-24; 103-154, eff. 6-30-23; 103-420, eff.  
14 1-1-24; 103-426, eff. 8-4-23; 103-445, eff. 1-1-24; 103-551,  
15 eff. 8-11-23; 103-605, eff. 7-1-24; 103-618, eff. 1-1-25;  
16 103-649, eff. 1-1-25; 103-656, eff. 1-1-25; 103-700, eff.  
17 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,  
18 eff. 8-2-24; 103-758, eff. 1-1-25; 103-777, eff. 8-2-24;  
19 103-914, eff. 1-1-25; 103-918, eff. 1-1-25; 103-1024, eff.  
20 1-1-25; 104-1, eff. 6-9-25; 104-42, eff. 8-1-25; 104-334, eff.  
21 8-15-25; 104-417, eff. 8-15-25; revised 10-3-25.)

22 (Text of Section after amendment by P.A. 103-808, 104-28,  
23 104-68, 104-73, 104-98, 104-289, 104-324, and 104-379)

24 Sec. 5-3. Illinois Insurance Code provisions.

25 (a) Health Maintenance Organizations shall be subject to

1 the provisions of Sections 133, 134, 136, 137, 139, 140,  
2 141.1, 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151,  
3 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a,  
4 155.49, ~~352e~~, 355.2, 355.3, 355.6, 355.7, 355b, 355c, 356f,  
5 356g, 356g.5-1, 356m, 356q, 356u.10, 356v, 356w, 356x, 356z.2,  
6 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9,  
7 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17,  
8 356z.18, 356z.19, 356z.20, 356z.21, 356z.22, 356z.23, 356z.24,  
9 356z.25, 356z.26, 356z.28, 356z.29, 356z.30, 356z.31, 356z.32,  
10 356z.33, 356z.34, 356z.35, 356z.36, 356z.37, 356z.38, 356z.39,  
11 356z.40, 356z.40a, 356z.41, 356z.44, 356z.45, 356z.46,  
12 356z.47, 356z.48, 356z.49, 356z.50, 356z.51, 356z.53, 356z.54,  
13 356z.55, 356z.56, 356z.57, 356z.58, 356z.59, 356z.60, 356z.61,  
14 356z.62, 356z.63, 356z.64, 356z.65, 356z.66, 356z.67, 356z.68,  
15 356z.69, 356z.70, 356z.71, 356z.72, 356z.73, 356z.74, 356z.75,  
16 356z.76, 356z.77, 356z.78, 356z.79, 356z.80, 356z.81, 356z.82,  
17 356z.83, 356z.84, 356z.85, 364, 364.01, 364.3, 367.2, 367.2-5,  
18 367i, 368a, 368b, 368c, 368d, 368e, 370a, 370c, 370c.1, 401,  
19 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1,  
20 paragraph (c) of subsection (2) of Section 367, and Articles  
21 IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and  
22 XXXIIB of the Illinois Insurance Code.

23 (b) For purposes of the Illinois Insurance Code, except  
24 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,  
25 Health Maintenance Organizations in the following categories  
26 are deemed to be "domestic companies":

1           (1) a corporation authorized under the Dental Service  
2 Plan Act or the Voluntary Health Services Plans Act;

3           (2) a corporation organized under the laws of this  
4 State; or

5           (3) a corporation organized under the laws of another  
6 state, 30% or more of the enrollees of which are residents  
7 of this State, except a corporation subject to  
8 substantially the same requirements in its state of  
9 organization as is a "domestic company" under Article VIII  
10 1/2 of the Illinois Insurance Code.

11           (c) In considering the merger, consolidation, or other  
12 acquisition of control of a Health Maintenance Organization  
13 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

14           (1) the Director shall give primary consideration to  
15 the continuation of benefits to enrollees and the  
16 financial conditions of the acquired Health Maintenance  
17 Organization after the merger, consolidation, or other  
18 acquisition of control takes effect;

19           (2) (i) the criteria specified in subsection (1) (b) of  
20 Section 131.8 of the Illinois Insurance Code shall not  
21 apply and (ii) the Director, in making his determination  
22 with respect to the merger, consolidation, or other  
23 acquisition of control, need not take into account the  
24 effect on competition of the merger, consolidation, or  
25 other acquisition of control;

26           (3) the Director shall have the power to require the

1 following information:

2 (A) certification by an independent actuary of the  
3 adequacy of the reserves of the Health Maintenance  
4 Organization sought to be acquired;

5 (B) pro forma financial statements reflecting the  
6 combined balance sheets of the acquiring company and  
7 the Health Maintenance Organization sought to be  
8 acquired as of the end of the preceding year and as of  
9 a date 90 days prior to the acquisition, as well as pro  
10 forma financial statements reflecting projected  
11 combined operation for a period of 2 years;

12 (C) a pro forma business plan detailing an  
13 acquiring party's plans with respect to the operation  
14 of the Health Maintenance Organization sought to be  
15 acquired for a period of not less than 3 years; and

16 (D) such other information as the Director shall  
17 require.

18 (d) The provisions of Article VIII 1/2 of the Illinois  
19 Insurance Code and this Section 5-3 shall apply to the sale by  
20 any health maintenance organization of greater than 10% of its  
21 enrollee population (including, without limitation, the health  
22 maintenance organization's right, title, and interest in and  
23 to its health care certificates).

24 (e) In considering any management contract or service  
25 agreement subject to Section 141.1 of the Illinois Insurance  
26 Code, the Director (i) shall, in addition to the criteria

1 specified in Section 141.2 of the Illinois Insurance Code,  
2 take into account the effect of the management contract or  
3 service agreement on the continuation of benefits to enrollees  
4 and the financial condition of the health maintenance  
5 organization to be managed or serviced, and (ii) need not take  
6 into account the effect of the management contract or service  
7 agreement on competition.

8 (f) Except for small employer groups as defined in the  
9 Small Employer Rating, Renewability and Portability Health  
10 Insurance Act and except for medicare supplement policies as  
11 defined in Section 363 of the Illinois Insurance Code, a  
12 Health Maintenance Organization may by contract agree with a  
13 group or other enrollment unit to effect refunds or charge  
14 additional premiums under the following terms and conditions:

15 (i) the amount of, and other terms and conditions with  
16 respect to, the refund or additional premium are set forth  
17 in the group or enrollment unit contract agreed in advance  
18 of the period for which a refund is to be paid or  
19 additional premium is to be charged (which period shall  
20 not be less than one year); and

21 (ii) the amount of the refund or additional premium  
22 shall not exceed 20% of the Health Maintenance  
23 Organization's profitable or unprofitable experience with  
24 respect to the group or other enrollment unit for the  
25 period (and, for purposes of a refund or additional  
26 premium, the profitable or unprofitable experience shall

1 be calculated taking into account a pro rata share of the  
2 Health Maintenance Organization's administrative and  
3 marketing expenses, but shall not include any refund to be  
4 made or additional premium to be paid pursuant to this  
5 subsection (f)). The Health Maintenance Organization and  
6 the group or enrollment unit may agree that the profitable  
7 or unprofitable experience may be calculated taking into  
8 account the refund period and the immediately preceding 2  
9 plan years.

10 The Health Maintenance Organization shall include a  
11 statement in the evidence of coverage issued to each enrollee  
12 describing the possibility of a refund or additional premium,  
13 and upon request of any group or enrollment unit, provide to  
14 the group or enrollment unit a description of the method used  
15 to calculate (1) the Health Maintenance Organization's  
16 profitable experience with respect to the group or enrollment  
17 unit and the resulting refund to the group or enrollment unit  
18 or (2) the Health Maintenance Organization's unprofitable  
19 experience with respect to the group or enrollment unit and  
20 the resulting additional premium to be paid by the group or  
21 enrollment unit.

22 In no event shall the Illinois Health Maintenance  
23 Organization Guaranty Association be liable to pay any  
24 contractual obligation of an insolvent organization to pay any  
25 refund authorized under this Section.

26 (g) Rulemaking authority to implement Public Act 95-1045,

1 if any, is conditioned on the rules being adopted in  
2 accordance with all provisions of the Illinois Administrative  
3 Procedure Act and all rules and procedures of the Joint  
4 Committee on Administrative Rules; any purported rule not so  
5 adopted, for whatever reason, is unauthorized.

6 (Source: P.A. 103-84, eff. 1-1-24; 103-91, eff. 1-1-24;  
7 103-123, eff. 1-1-24; 103-154, eff. 6-30-23; 103-420, eff.  
8 1-1-24; 103-426, eff. 8-4-23; 103-445, eff. 1-1-24; 103-551,  
9 eff. 8-11-23; 103-605, eff. 7-1-24; 103-618, eff. 1-1-25;  
10 103-649, eff. 1-1-25; 103-656, eff. 1-1-25; 103-700, eff.  
11 1-1-25; 103-718, eff. 7-19-24; 103-751, eff. 8-2-24; 103-753,  
12 eff. 8-2-24; 103-758, eff. 1-1-25; 103-777, eff. 8-2-24;  
13 103-808, eff. 1-1-26; 103-914, eff. 1-1-25; 103-918, eff.  
14 1-1-25; 103-1024, eff. 1-1-25; 104-1, eff. 6-9-25; 104-28,  
15 eff. 1-1-26; 104-42, eff. 8-1-25; 104-68, eff. 1-1-26; 104-73,  
16 eff. 1-1-26; 104-98, eff. 1-1-26; 104-289, eff. 1-1-26;  
17 104-324, eff. 1-1-26; 104-334, eff. 8-15-25; 104-379, eff.  
18 1-1-26; 104-417, eff. 8-15-25; revised 10-3-25.)

19 Section 15. The Limited Health Service Organization Act is  
20 amended by changing Section 4003 as follows:

21 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

22 (Text of Section before amendment by P.A. 104-73, 104-98,  
23 104-289, 104-324, and 104-379)

24 Sec. 4003. Illinois Insurance Code provisions. Limited

1 health service organizations shall be subject to the  
2 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
3 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,  
4 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, ~~352e,~~  
5 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,  
6 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,  
7 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,  
8 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,  
9 356z.73, 356z.74, 356z.75, 356z.79, 356z.81, ~~356z.80~~, 364.3,  
10 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444,  
11 and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII  
12 1/2, XXV, XXVI, and XXXIIB of the Illinois Insurance Code.  
13 Nothing in this Section shall require a limited health care  
14 plan to cover any service that is not a limited health service.  
15 For purposes of the Illinois Insurance Code, except for  
16 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited  
17 health service organizations in the following categories are  
18 deemed to be domestic companies:

19 (1) a corporation under the laws of this State; or

20 (2) a corporation organized under the laws of another  
21 state, 30% or more of the enrollees of which are residents  
22 of this State, except a corporation subject to  
23 substantially the same requirements in its state of  
24 organization as is a domestic company under Article VIII  
25 1/2 of the Illinois Insurance Code.

26 (Source: P.A. 103-84, eff. 1-1-24; 103-91, eff. 1-1-24;

1 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445, eff.  
2 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25; 103-656,  
3 eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24;  
4 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff.  
5 1-1-25; 103-1024, eff. 1-1-25; 104-1, eff. 6-9-25; 104-42,  
6 eff. 8-1-25; 104-334, eff. 8-15-25; 104-417, eff. 8-15-25;  
7 revised 10-3-25.)

8 (Text of Section after amendment by P.A. 104-73, 104-98,  
9 104-289, 104-324, and 104-379)

10 Sec. 4003. Illinois Insurance Code provisions. Limited  
11 health service organizations shall be subject to the  
12 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
13 141.2, 141.3, 143, 143.31, 143c, 147, 148, 149, 151, 152, 153,  
14 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, ~~352c,~~  
15 355.2, 355.3, 355b, 355d, 356m, 356q, 356v, 356z.4, 356z.4a,  
16 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.32,  
17 356z.33, 356z.41, 356z.46, 356z.47, 356z.51, 356z.53, 356z.54,  
18 356z.57, 356z.59, 356z.61, 356z.64, 356z.67, 356z.68, 356z.71,  
19 356z.73, 356z.74, 356z.75, 356z.79, 356z.80, 356z.81, 356z.83,  
20 356z.84, 356z.85, 364.3, 368a, 370a, 401, 401.1, 402, 403,  
21 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA,  
22 VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB  
23 of the Illinois Insurance Code. Nothing in this Section shall  
24 require a limited health care plan to cover any service that is  
25 not a limited health service. For purposes of the Illinois

1 Insurance Code, except for Sections 444 and 444.1 and Articles  
2 XIII and XIII 1/2, limited health service organizations in the  
3 following categories are deemed to be domestic companies:

4 (1) a corporation under the laws of this State; or

5 (2) a corporation organized under the laws of another  
6 state, 30% or more of the enrollees of which are residents  
7 of this State, except a corporation subject to  
8 substantially the same requirements in its state of  
9 organization as is a domestic company under Article VIII  
10 1/2 of the Illinois Insurance Code.

11 (Source: P.A. 103-84, eff. 1-1-24; 103-91, eff. 1-1-24;  
12 103-420, eff. 1-1-24; 103-426, eff. 8-4-23; 103-445, eff.  
13 1-1-24; 103-605, eff. 7-1-24; 103-649, eff. 1-1-25; 103-656,  
14 eff. 1-1-25; 103-700, eff. 1-1-25; 103-718, eff. 7-19-24;  
15 103-751, eff. 8-2-24; 103-758, eff. 1-1-25; 103-832, eff.  
16 1-1-25; 103-1024, eff. 1-1-25; 104-1, eff. 6-9-25; 104-42,  
17 eff. 8-1-25; 104-73, eff. 1-1-26; 104-98, eff. 1-1-26;  
18 104-289, eff. 1-1-26; 104-324, eff. 1-1-26; 104-334, eff.  
19 8-15-25; 104-379, eff. 1-1-26; 104-417, eff. 8-15-25; revised  
20 10-3-25.)

21 Section 20. The Short-Term, Limited-Duration Health  
22 Insurance Coverage Act is reenacted as follows:

23 (215 ILCS 190/Act title)

24 An Act concerning regulation.

1 (215 ILCS 190/1)

2 Sec. 1. Short title. This Act may be cited as the  
3 Short-Term, Limited-Duration Health Insurance Coverage Act.

4 (Source: P.A. 100-1118, eff. 11-27-18.)

5 (215 ILCS 190/5)

6 Sec. 5. Definitions. In this Act:

7 "Department" means the Department of Insurance.

8 "Health insurance coverage" has the meaning given to that  
9 term in the Illinois Health Insurance Portability and  
10 Accountability Act.

11 "Health insurance issuer" has the meaning given to that  
12 term in the Illinois Health Insurance Portability and  
13 Accountability Act.

14 "Fraud" means an intentional misrepresentation of a  
15 material fact in connection with the coverage.

16 "Short-term, limited-duration health insurance coverage"  
17 means health insurance coverage provided pursuant to a policy  
18 with an issuer, regardless of the situs of the delivery of the  
19 policy, that is less than 365 days after the effective date of  
20 the policy.

21 (Source: P.A. 100-1118, eff. 11-27-18.)

22 (215 ILCS 190/10)

23 Sec. 10. Application; scope; duration of coverage.

1           (a) This Act applies to health insurance issuers that  
2 offer short-term, limited-duration health insurance coverage  
3 to individuals in this State and to short-term,  
4 limited-duration health insurance coverage that is delivered  
5 or issued for delivery in this State, including coverage  
6 issued outside of this State that covers individuals in this  
7 State.

8           (b) A short-term, limited-duration health insurance  
9 coverage policy may not be issued or delivered to any person  
10 residing in this State unless the policy, when delivered or  
11 issued for delivery in this State, complies with the  
12 provisions of this Act.

13           (c) Any short-term, limited-duration health insurance  
14 coverage policy that is delivered or issued for delivery in  
15 this State must have an expiration date in the policy that is  
16 less than 181 days after the effective date and shall not be  
17 renewable or extendable within a period of 365 days after the  
18 individual's coverage under the policy ends, either at the  
19 option of the issuer or the individual. Renewal of a  
20 short-term, limited-duration health insurance coverage policy  
21 includes the issuance of a new short-term, limited-duration  
22 health insurance policy by an issuer to a policyholder within  
23 60 days after the expiration of a policy previously issued by  
24 the issuer to the policyholder.

25           (d) Any short-term, limited-duration health insurance  
26 coverage policy that is delivered or issued for delivery in

1 this State may not be rescinded before the expiration date in  
2 the policy, except in cases of nonpayment of premiums, fraud,  
3 or as provided in subsection (e).

4 (e) Any short-term, limited-duration health insurance  
5 coverage policy that is delivered or issued for delivery in  
6 this State shall contain an option for an individual to cancel  
7 coverage after any 30-day interval during the term of the  
8 plan.

9 (Source: P.A. 100-1118, eff. 11-27-18.)

10 (215 ILCS 190/15)

11 Sec. 15. Disclosure requirements.

12 (a) A health insurance issuer that offers short-term,  
13 limited-duration health insurance coverage to be delivered or  
14 issued for delivery in this State shall, in addition to all  
15 other documents required, including, but not limited to, the  
16 policy, the certificate, the membership booklet, and a  
17 description of appeal and external review rights, deliver an  
18 outline of coverage to an applicant for or an enrollee in  
19 short-term, limited-duration health insurance coverage  
20 delivered or issued for delivery in this State.

21 (b) Any short-term, limited-duration health insurance  
22 coverage policy that is delivered or issued for delivery in  
23 the State shall display prominently in the policy, any  
24 application, sales, and marketing materials provided in  
25 connection with enrollment in such coverage, and the outline

1 of coverage for such coverage, in at least 14-point, bold  
2 type, the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION  
3 INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL  
4 REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR  
5 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF  
6 COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS  
7 REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS  
8 ARE NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK  
9 YOUR POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE  
10 POLICY DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU  
11 LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT  
12 UNTIL THE NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH  
13 INSURANCE COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM  
14 INSURANCE THAT QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR  
15 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO  
16 PAY FOR IT AT [WWW.HEALTHCARE.GOV](http://WWW.HEALTHCARE.GOV)".

17 (c) Any individual selling a short-term, limited-duration  
18 health insurance coverage policy in this State in face-to-face  
19 or telephonic sales interactions must read out loud the  
20 disclosure in subsection (b) to a prospective purchaser. An  
21 entity selling a short-term, limited-duration health insurance  
22 coverage policy in Illinois must display the disclosure in  
23 subsection (b) on the webpage where a prospective purchaser  
24 would purchase coverage.

25 (d) Nothing in this Section precludes an insurer from  
26 providing disclosures in addition to those required in

1 subsections (b) and (c). Nothing in this Section precludes an  
2 insurer from providing disclosures intended to clarify those  
3 required in subsections (b) and (c) if approved by the  
4 Department.

5 (Source: P.A. 100-1118, eff. 11-27-18.)

6 (215 ILCS 190/20)

7 Sec. 20. Filing and approval.

8 (a) Coverage subject to this Act may not be delivered or  
9 issued for delivery in this State unless the policy evidencing  
10 such coverage has been filed with and been approved by the  
11 Department.

12 (b) A health insurance issuer who intends to deliver or  
13 issue for delivery a short-term, limited-duration health  
14 insurance coverage policy in this State shall file with the  
15 Department:

16 (1) all paperwork required for individual health  
17 insurance coverage pursuant to 50 Ill. Adm. Code 916; and

18 (2) all sales and marketing materials provided in  
19 connection with enrollment in such coverage for  
20 informational purposes.

21 (c) The Department shall adopt any rules necessary to  
22 carry out the provisions of this Act.

23 (Source: P.A. 100-1118, eff. 11-27-18.)

24 (215 ILCS 190/99)

1           Sec. 99. Effective date. This Act takes effect upon  
2 becoming law, except that the provisions changing Sections  
3 456, 457, and 458 of the Illinois Insurance Code and the  
4 provisions repealing Section 460 of the Illinois Insurance  
5 Code take effect February 1, 2019.

6           (Source: P.A. 100-1118, eff. 11-27-18.)

7           Section 95. No acceleration or delay. Where this Act makes  
8 changes in a statute that is represented in this Act by text  
9 that is not yet or no longer in effect (for example, a Section  
10 represented by multiple versions), the use of that text does  
11 not accelerate or delay the taking effect of (i) the changes  
12 made by this Act or (ii) provisions derived from any other  
13 Public Act.