



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3675

Introduced 2/9/2024, by Sen. Napoleon Harris, III

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Insurance Code. Provides that any failure to make a disclosure or obtain a signed confirmation required under specified provisions of the Short-Term, Limited-Duration Health Insurance Coverage Act is an unfair method of competition and an unfair and deceptive act or practice in the business of insurance. Provides that the Director of Insurance shall have the power to examine and investigate into the affairs of every person subject to specified provisions of the Short-Term, Limited-Duration Health Insurance Coverage Act. Provides that the Director may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty or take any combination of actions for any failure to make a disclosure or obtain a signed confirmation required or any unlawful practice described under specified provisions of the Short-Term, Limited-Duration Health Insurance Coverage Act. Amends the Short-Term, Limited-Duration Health Insurance Coverage Act. Sets forth provisions concerning the purpose and scope of the Act. Provides that the Act applies to health insurance issuers that offer short-term, limited-duration health insurance coverage to groups and individuals (rather than only individuals) in the State. Sets forth provisions concerning duration of coverage; cancellation; and disclosure, filing, and coverage requirements of short term, limited-duration health insurance coverage. Sets forth provisions concerning unfair or deceptive practices relating to the sale of supplemental or short-term, limited-duration health insurance coverage. Defines terms. Makes other changes. Effective January 1, 2026.

LRB103 38256 RPS 68391 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, 356z.18, 367.3, 367a, 368f, 424,
6 425, and 500-70 as follows:

7 (215 ILCS 5/121-2.05) (from Ch. 73, par. 733-2.05)

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

22 (Source: P.A. 86-753.)

1 (215 ILCS 5/356z.18)

2 (Text of Section before amendment by P.A. 103-512)

3 Sec. 356z.18. Prosthetic and customized orthotic devices.

4 (a) For the purposes of this Section:

5 "Customized orthotic device" means a supportive device for
6 the body or a part of the body, the head, neck, or extremities,
7 and includes the replacement or repair of the device based on
8 the patient's physical condition as medically necessary,
9 excluding foot orthotics defined as an in-shoe device designed
10 to support the structural components of the foot during
11 weight-bearing activities.

12 "Licensed provider" means a prosthetist, orthotist, or
13 pedorthist licensed to practice in this State.

14 "Prosthetic device" means an artificial device to replace,
15 in whole or in part, an arm or leg and includes accessories
16 essential to the effective use of the device and the
17 replacement or repair of the device based on the patient's
18 physical condition as medically necessary.

19 (b) This amendatory Act of the 96th General Assembly shall
20 provide benefits to any person covered thereunder for expenses
21 incurred in obtaining a prosthetic or custom orthotic device
22 from any Illinois licensed prosthetist, licensed orthotist, or
23 licensed pedorthist as required under the Orthotics,
24 Prosthetics, and Pedorthics Practice Act.

25 (c) A group or individual major medical policy of accident
26 or health insurance or managed care plan or medical, health,

1 or hospital service corporation contract that provides
2 coverage for prosthetic or custom orthotic care and is
3 amended, delivered, issued, or renewed 6 months after the
4 effective date of this amendatory Act of the 96th General
5 Assembly must provide coverage for prosthetic and orthotic
6 devices in accordance with this subsection (c). The coverage
7 required under this Section shall be subject to the other
8 general exclusions, limitations, and financial requirements of
9 the policy, including coordination of benefits, participating
10 provider requirements, utilization review of health care
11 services, including review of medical necessity, case
12 management, and experimental and investigational treatments,
13 and other managed care provisions under terms and conditions
14 that are no less favorable than the terms and conditions that
15 apply to substantially all medical and surgical benefits
16 provided under the plan or coverage.

17 (d) The policy or plan or contract may require prior
18 authorization for the prosthetic or orthotic devices in the
19 same manner that prior authorization is required for any other
20 covered benefit.

21 (e) Repairs and replacements of prosthetic and orthotic
22 devices are also covered, subject to the co-payments and
23 deductibles, unless necessitated by misuse or loss.

24 (f) A policy or plan or contract may require that, if
25 coverage is provided through a managed care plan, the benefits
26 mandated pursuant to this Section shall be covered benefits

1 only if the prosthetic or orthotic devices are provided by a
2 licensed provider employed by a provider service who contracts
3 with or is designated by the carrier, to the extent that the
4 carrier provides in-network and out-of-network service, the
5 coverage for the prosthetic or orthotic device shall be
6 offered no less extensively.

7 (g) The policy or plan or contract shall also meet
8 adequacy requirements as established by the Health Care
9 Reimbursement Reform Act of 1985 of the Illinois Insurance
10 Code.

11 (h) This Section shall not apply to accident only,
12 specified disease, short-term travel ~~hospital or medical~~,
13 hospital confinement indemnity or other fixed indemnity,
14 credit, dental, vision, Medicare supplement, long-term care,
15 basic hospital and medical-surgical expense coverage,
16 disability income insurance coverage, coverage issued as a
17 supplement to liability insurance, workers' compensation
18 insurance, or automobile medical payment insurance.

19 (Source: P.A. 96-833, eff. 6-1-10.)

20 (Text of Section after amendment by P.A. 103-512)

21 Sec. 356z.18. Prosthetic and customized orthotic devices.

22 (a) For the purposes of this Section:

23 "Customized orthotic device" means a supportive device for
24 the body or a part of the body, the head, neck, or extremities,
25 and includes the replacement or repair of the device based on

1 the patient's physical condition as medically necessary,
2 excluding foot orthotics defined as an in-shoe device designed
3 to support the structural components of the foot during
4 weight-bearing activities.

5 "Licensed provider" means a prosthetist, orthotist, or
6 pedorthist licensed to practice in this State.

7 "Prosthetic device" means an artificial device to replace,
8 in whole or in part, an arm or leg and includes accessories
9 essential to the effective use of the device and the
10 replacement or repair of the device based on the patient's
11 physical condition as medically necessary.

12 (b) This amendatory Act of the 96th General Assembly shall
13 provide benefits to any person covered thereunder for expenses
14 incurred in obtaining a prosthetic or custom orthotic device
15 from any Illinois licensed prosthetist, licensed orthotist, or
16 licensed pedorthist as required under the Orthotics,
17 Prosthetics, and Pedorthics Practice Act.

18 (c) A group or individual major medical policy of accident
19 or health insurance or managed care plan or medical, health,
20 or hospital service corporation contract that provides
21 coverage for prosthetic or custom orthotic care and is
22 amended, delivered, issued, or renewed 6 months after the
23 effective date of this amendatory Act of the 96th General
24 Assembly must provide coverage for prosthetic and orthotic
25 devices in accordance with this subsection (c). The coverage
26 required under this Section shall be subject to the other

1 general exclusions, limitations, and financial requirements of
2 the policy, including coordination of benefits, participating
3 provider requirements, utilization review of health care
4 services, including review of medical necessity, case
5 management, and experimental and investigational treatments,
6 and other managed care provisions under terms and conditions
7 that are no less favorable than the terms and conditions that
8 apply to substantially all medical and surgical benefits
9 provided under the plan or coverage.

10 (d) With respect to an enrollee at any age, in addition to
11 coverage of a prosthetic or custom orthotic device required by
12 this Section, benefits shall be provided for a prosthetic or
13 custom orthotic device determined by the enrollee's provider
14 to be the most appropriate model that is medically necessary
15 for the enrollee to perform physical activities, as
16 applicable, such as running, biking, swimming, and lifting
17 weights, and to maximize the enrollee's whole body health and
18 strengthen the lower and upper limb function.

19 (e) The requirements of this Section do not constitute an
20 addition to this State's essential health benefits that
21 requires defrayal of costs by this State pursuant to 42 U.S.C.
22 18031(d)(3)(B).

23 (f) The policy or plan or contract may require prior
24 authorization for the prosthetic or orthotic devices in the
25 same manner that prior authorization is required for any other
26 covered benefit.

1 (g) Repairs and replacements of prosthetic and orthotic
2 devices are also covered, subject to the co-payments and
3 deductibles, unless necessitated by misuse or loss.

4 (h) A policy or plan or contract may require that, if
5 coverage is provided through a managed care plan, the benefits
6 mandated pursuant to this Section shall be covered benefits
7 only if the prosthetic or orthotic devices are provided by a
8 licensed provider employed by a provider service who contracts
9 with or is designated by the carrier, to the extent that the
10 carrier provides in-network and out-of-network service, the
11 coverage for the prosthetic or orthotic device shall be
12 offered no less extensively.

13 (i) The policy or plan or contract shall also meet
14 adequacy requirements as established by the Health Care
15 Reimbursement Reform Act of 1985 of the Illinois Insurance
16 Code.

17 (j) This Section shall not apply to accident only,
18 specified disease, short-term travel ~~hospital or medical~~,
19 hospital confinement indemnity or other fixed indemnity,
20 credit, dental, vision, Medicare supplement, long-term care,
21 basic hospital and medical-surgical expense coverage,
22 disability income insurance coverage, coverage issued as a
23 supplement to liability insurance, workers' compensation
24 insurance, or automobile medical payment insurance.

25 (Source: P.A. 103-512, eff. 1-1-25.)

1 (215 ILCS 5/367.3) (from Ch. 73, par. 979.3)

2 Sec. 367.3. Group accident and health insurance;
3 discretionary groups.

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

9 (1) the issuance of the policy is not contrary to the
10 public interest;

11 (2) the issuance of the policy will result in
12 economies of acquisition and administration; and

13 (3) the benefits under the policy are reasonable in
14 relation to the premium charged.

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

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

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

24 (2) a copy of the statute authorizing the issuance of
25 the group policy in the state of situs, which statute has
26 the same or similar requirements as this State, or in the

1 absence of such statute, a certification by an officer of
2 the company that the policy meets the Illinois minimum
3 standards required for individual accident and health
4 policies under authority of Section 401 of this Code, as
5 now or hereafter amended, as promulgated by rule at 50
6 Illinois Administrative Code, Ch. I, Sec. 2007, et seq.,
7 as now or hereafter amended, or under the Short-Term,
8 Limited-Duration Health Insurance Coverage Act and rules
9 thereunder, as applicable, or by a successor rule;

10 (3) evidence of approval by the state of situs of the
11 group master policy; and

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

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

19 (d) Notwithstanding subsections (a) and (b), group ~~Group~~
20 accident and health insurance subject to the provisions of
21 this Section is also subject to the provisions ~~of Section 367i~~
22 of this Code or the Short-Term, Limited-Duration Health
23 Insurance Coverage Act, as applicable, and rules thereunder
24 that pertain to group accident and health insurance.

25 (Source: P.A. 90-655, eff. 7-30-98.)

1 (215 ILCS 5/367a) (from Ch. 73, par. 979a)

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

3 (1) Blanket accident and health insurance is that form of
4 accident and health insurance covering special groups of
5 persons as enumerated in one of the following paragraphs (a)
6 to (g), inclusive:

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

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

15 (c) Under a policy or contract issued to a college,
16 school, or other institution of learning or to the head or
17 principal thereof, who or which shall be deemed the
18 policyholder, covering students or teachers. However, except
19 where inconsistent with 45 CFR 147.145, student health
20 insurance coverage other than excepted benefits or short-term,
21 limited-duration health insurance coverage that is provided
22 pursuant to a written agreement with an institution of higher
23 education for the benefit of its enrolled students and their
24 dependents shall remain subject to the standards and
25 requirements for individual health insurance coverage.

26 (d) Under a policy or contract issued in the name of any

1 volunteer fire department, first aid, or other such volunteer
2 group, which shall be deemed the policyholder, covering all of
3 the members of such department or group.

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

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

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

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

26 (a) A provision that the policy and the application shall

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

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

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

13 (4) All benefits under any blanket accident and health
14 policy shall be payable to the person insured, or to his
15 designated beneficiary or beneficiaries, or to his or her
16 estate, except that if the person insured be a minor or person
17 under legal disability, such benefits may be made payable to
18 his or her parent, guardian, or other person actually
19 supporting him or her. Provided further, however, that the
20 policy may provide that all or any portion of any indemnities
21 provided by any such policy on account of hospital, nursing,
22 medical or surgical services may, at the insurer's option, be
23 paid directly to the hospital or person rendering such
24 services; but the policy may not require that the service be
25 rendered by a particular hospital or person. Payment so made
26 shall discharge the insurer's obligation with respect to the

1 amount of insurance so paid.

2 (5) Nothing contained in this section shall be deemed to
3 affect the legal liability of policyholders for the death of
4 or injury to, any such member of such group.

5 (Source: P.A. 83-1362.)

6 (215 ILCS 5/368f)

7 Sec. 368f. Military service member insurance
8 reinstatement.

9 (a) No Illinois resident activated for military service
10 and no spouse or dependent of the resident who becomes
11 eligible for a federal government-sponsored health insurance
12 program, including the TriCare program providing coverage for
13 civilian dependents of military personnel, as a result of the
14 activation shall be denied reinstatement into the same
15 individual health insurance coverage with the health insurer
16 that the resident lapsed as a result of activation or becoming
17 covered by the federal government-sponsored health insurance
18 program. The resident shall have the right to reinstatement in
19 the same individual health insurance coverage without medical
20 underwriting, subject to payment of the current premium
21 charged to other persons of the same age and gender that are
22 covered under the same individual health coverage. Except in
23 the case of birth or adoption that occurs during the period of
24 activation, reinstatement must be into the same coverage type
25 as the resident held prior to lapsing the individual health

1 insurance coverage and at the same or, at the option of the
2 resident, higher deductible level. The reinstatement rights
3 provided under this subsection (a) are not available to a
4 resident or dependents if the activated person is discharged
5 from the military under other than honorable conditions.

6 (b) The health insurer with which the reinstatement is
7 being requested must receive a request for reinstatement no
8 later than 63 days following the later of (i) deactivation or
9 (ii) loss of coverage under the federal government-sponsored
10 health insurance program. The health insurer may request proof
11 of loss of coverage and the timing of the loss of coverage of
12 the government-sponsored coverage in order to determine
13 eligibility for reinstatement into the individual coverage.
14 The effective date of the reinstatement of individual health
15 coverage shall be the first of the month following receipt of
16 the notice requesting reinstatement.

17 (c) All insurers must provide written notice to the
18 policyholder of individual health coverage of the rights
19 described in subsection (a) of this Section. In lieu of the
20 inclusion of the notice in the individual health insurance
21 policy, an insurance company may satisfy the notification
22 requirement by providing a single written notice:

23 (1) in conjunction with the enrollment process for a
24 policyholder initially enrolling in the individual
25 coverage on or after the effective date of this amendatory
26 Act of the 94th General Assembly; or

1 (2) by mailing written notice to policyholders whose
2 coverage was effective prior to the effective date of this
3 amendatory Act of the 94th General Assembly no later than
4 90 days following the effective date of this amendatory
5 Act of the 94th General Assembly.

6 (d) The provisions of subsection (a) of this Section do
7 not apply to any policy or certificate providing coverage for
8 any specified disease, specified accident or accident-only
9 coverage, credit, dental, disability income, hospital
10 indemnity or other fixed indemnity, long-term care, Medicare
11 supplement, vision care, or short-term travel nonrenewable
12 ~~health policy~~ or other limited-benefit supplemental insurance,
13 or any coverage issued as a supplement to any liability
14 insurance, workers' compensation or similar insurance, or any
15 insurance under which benefits are payable with or without
16 regard to fault, whether written on a group, blanket, or
17 individual basis.

18 (e) Nothing in this Section shall require an insurer to
19 reinstate the resident if the insurer requires residency in an
20 enrollment area and those residency requirements are not met
21 after deactivation or loss of coverage under the
22 government-sponsored health insurance program.

23 (f) All terms, conditions, and limitations of the
24 individual coverage into which reinstatement is made apply
25 equally to all insureds enrolled in the coverage.

26 (g) The Secretary may adopt rules as may be necessary to

1 carry out the provisions of this Section.

2 (Source: P.A. 94-1037, eff. 7-20-06.)

3 (215 ILCS 5/424) (from Ch. 73, par. 1031)

4 Sec. 424. Unfair methods of competition and unfair or
5 deceptive acts or practices defined. The following are hereby
6 defined as unfair methods of competition and unfair and
7 deceptive acts or practices in the business of insurance:

8 (1) The commission by any person of any one or more of
9 the acts defined or prohibited by Sections 134, 143.24c,
10 147, 148, 149, 151, 155.22, 155.22a, 155.42, 236, 237,
11 364, 469, and 513b1 of this Code.

12 (2) Entering into any agreement to commit, or by any
13 concerted action committing, any act of boycott, coercion
14 or intimidation resulting in or tending to result in
15 unreasonable restraint of, or monopoly in, the business of
16 insurance.

17 (3) Making or permitting, in the case of insurance of
18 the types enumerated in Classes 1, 2, and 3 of Section 4,
19 any unfair discrimination between individuals or risks of
20 the same class or of essentially the same hazard and
21 expense element because of the race, color, religion, or
22 national origin of such insurance risks or applicants. The
23 application of this Article to the types of insurance
24 enumerated in Class 1 of Section 4 shall in no way limit,
25 reduce, or impair the protections and remedies already

1 provided for by Sections 236 and 364 of this Code or any
2 other provision of this Code.

3 (4) Engaging in any of the acts or practices defined
4 in or prohibited by Sections 154.5 through 154.8 of this
5 Code.

6 (5) Making or charging any rate for insurance against
7 losses arising from the use or ownership of a motor
8 vehicle which requires a higher premium of any person by
9 reason of his physical disability, race, color, religion,
10 or national origin.

11 (6) Failing to meet any requirement of the Unclaimed
12 Life Insurance Benefits Act with such frequency as to
13 constitute a general business practice.

14 (7) Failing to make a disclosure or obtain a signed
15 confirmation required under Section 15 of the Short-Term,
16 Limited-Duration Health Insurance Coverage Act or any
17 unlawful practice described in Section 30 of the
18 Short-Term, Limited-Duration Health Insurance Coverage
19 Act.

20 (Source: P.A. 102-778, eff. 7-1-22.)

21 (215 ILCS 5/425) (from Ch. 73, par. 1032)

22 Sec. 425. Power of Director.

23 The Director shall have power to examine and investigate
24 into the affairs of every person engaged in the business of
25 insurance in this State, or otherwise subject to the

1 provisions of Section 30 of the Short-Term, Limited-Duration
2 Health Insurance Coverage Act, and to examine and investigate
3 into the affairs of any person domiciled in or resident of this
4 State engaged in the business of insurance in any other State,
5 Territory, Province, Possession, Country or District in which
6 he is not licensed or otherwise authorized to transact
7 business in order to determine whether such person has been or
8 is engaged in any unfair method of competition or in any unfair
9 or deceptive act or practice prohibited by Section 424.

10 (Source: Laws 1967, p. 990.)

11 (215 ILCS 5/500-70)

12 (Section scheduled to be repealed on January 1, 2027)

13 Sec. 500-70. License denial, nonrenewal, or revocation.

14 (a) The Director may place on probation, suspend, revoke,
15 or refuse to issue or renew an insurance producer's license or
16 may levy a civil penalty in accordance with this Section or
17 take any combination of actions, for any one or more of the
18 following causes:

19 (1) providing incorrect, misleading, incomplete, or
20 materially untrue information in the license application;

21 (2) violating any insurance laws, or violating any
22 rule, subpoena, or order of the Director or of another
23 state's insurance commissioner;

24 (3) obtaining or attempting to obtain a license
25 through misrepresentation or fraud;

1 (4) improperly withholding, misappropriating or
2 converting any moneys or properties received in the course
3 of doing insurance business;

4 (5) intentionally misrepresenting the terms of an
5 actual or proposed insurance contract or application for
6 insurance;

7 (6) having been convicted of a felony, unless the
8 individual demonstrates to the Director sufficient
9 rehabilitation to warrant the public trust; consideration
10 of such conviction of an applicant shall be in accordance
11 with Section 500-76;

12 (7) having admitted or been found to have committed
13 any insurance unfair trade practice or fraud;

14 (8) using fraudulent, coercive, or dishonest
15 practices, or demonstrating incompetence,
16 untrustworthiness or financial irresponsibility in the
17 conduct of business in this State or elsewhere;

18 (9) having an insurance producer license, or its
19 equivalent, denied, suspended, or revoked in any other
20 state, province, district or territory;

21 (10) forging a name to an application for insurance or
22 to a document related to an insurance transaction;

23 (11) improperly using notes or any other reference
24 material to complete an examination for an insurance
25 license;

26 (12) knowingly accepting insurance business from an

1 individual who is not licensed;

2 (13) failing to comply with an administrative or court
3 order imposing a child support obligation;

4 (14) failing to pay state income tax or penalty or
5 interest or comply with any administrative or court order
6 directing payment of state income tax or failed to file a
7 return or to pay any final assessment of any tax due to the
8 Department of Revenue;

9 (15) (blank); ~~or~~

10 (16) failing to comply with any provision of the
11 Viatical Settlements Act of 2009; or.

12 (17) failing to make a disclosure or obtain a signed
13 confirmation required under Section 15 of the Short-Term,
14 Limited-Duration Health Insurance Coverage Act or any
15 unlawful practice described in Section 30 of the
16 Short-Term, Limited-Duration Health Insurance Coverage
17 Act.

18 (b) If the action by the Director is to nonrenew, suspend,
19 or revoke a license or to deny an application for a license,
20 the Director shall notify the applicant or licensee and
21 advise, in writing, the applicant or licensee of the reason
22 for the suspension, revocation, denial or nonrenewal of the
23 applicant's or licensee's license. The applicant or licensee
24 may make written demand upon the Director within 30 days after
25 the date of mailing for a hearing before the Director to
26 determine the reasonableness of the Director's action. The

1 hearing must be held within not fewer than 20 days nor more
2 than 30 days after the mailing of the notice of hearing and
3 shall be held pursuant to 50 Ill. Adm. Code 2402.

4 (c) The license of a business entity may be suspended,
5 revoked, or refused if the Director finds, after hearing, that
6 an individual licensee's violation was known or should have
7 been known by one or more of the partners, officers, or
8 managers acting on behalf of the partnership, corporation,
9 limited liability company, or limited liability partnership
10 and the violation was neither reported to the Director nor
11 corrective action taken.

12 (d) In addition to or instead of any applicable denial,
13 suspension, or revocation of a license, a person may, after
14 hearing, be subject to a civil penalty of up to \$10,000 for
15 each cause for denial, suspension, or revocation, however, the
16 civil penalty may total no more than \$100,000.

17 (e) The Director has the authority to enforce the
18 provisions of and impose any penalty or remedy authorized by
19 this Article against any person who is under investigation for
20 or charged with a violation of this Code or rules even if the
21 person's license or registration has been surrendered or has
22 lapsed by operation of law.

23 (f) Upon the suspension, denial, or revocation of a
24 license, the licensee or other person having possession or
25 custody of the license shall promptly deliver it to the
26 Director in person or by mail. The Director shall publish all

1 suspensions, denials, or revocations after the suspensions,
2 denials, or revocations become final in a manner designed to
3 notify interested insurance companies and other persons.

4 (g) A person whose license is revoked or whose application
5 is denied pursuant to this Section is ineligible to apply for
6 any license for 3 years after the revocation or denial. A
7 person whose license as an insurance producer has been
8 revoked, suspended, or denied may not be employed, contracted,
9 or engaged in any insurance related capacity during the time
10 the revocation, suspension, or denial is in effect.

11 (Source: P.A. 100-286, eff. 1-1-18; 100-872, eff. 8-14-18.)

12 Section 10. The Short-Term, Limited-Duration Health
13 Insurance Coverage Act is amended by changing Sections 5, 10,
14 15, and 20 and by adding Sections 2, 25, 30, and 35 as follows:

15 (215 ILCS 190/2 new)

16 Sec. 2. Purpose and scope. This Act is intended to
17 regulate the sale, solicitation, and marketing of short-term,
18 limited-duration health insurance coverage to insurance
19 consumers, and the referral of insurance consumers to
20 short-term, limited-duration health insurance coverage, and to
21 protect consumers from confusing or deceptive marketing
22 practices. This Act applies to health insurance issuers and
23 insurance producers. Additionally, except as provided therein,
24 Section 30 applies to any other person whose business

1 transactions include advertising, referring, or directing
2 prospective insurance purchasers or enrollees to health
3 insurance coverage even when such persons are not otherwise
4 required to obtain a license, certificate, or registration
5 from the Department.

6 (215 ILCS 190/5)

7 Sec. 5. Definitions. In this Act:

8 "Department" means the Department of Insurance.

9 "Excepted benefits" has the meaning given to that term in
10 42 U.S.C. 300gg-91(c) and regulations thereunder.

11 "Health insurance coverage" has the meaning given to that
12 term in Section 5 of the Illinois Health Insurance Portability
13 and Accountability Act.

14 "Health insurance issuer" has the meaning given to that
15 term in Section 5 of the Illinois Health Insurance Portability
16 and Accountability Act.

17 "Health insurance issuer doing direct sales" means a
18 health insurance issuer that provides a means to accept a
19 completed application or enrollment form for a policy or
20 certificate of health insurance coverage directly from an
21 individual or group without any prior live interaction or
22 written correspondence between that individual or group and an
23 insurance producer. A "health insurance issuer doing direct
24 sales" includes a health insurance issuer that accepts an
25 application for health insurance coverage through its own

1 website. A "health insurance issuer doing direct sales" does
2 not include the enrollment of individuals under a group policy
3 by a non-producer representative of the group or the group's
4 own website.

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

7 "Person" means any natural or legal person, organization,
8 body, association, corporation, company, partnership, society,
9 order, aggregation of individuals, or other entity described
10 under any State or federal law.

11 "Short-term, limited-duration health insurance coverage"
12 means health insurance coverage, other than excepted benefits,
13 provided pursuant to a policy or certificate with an issuer,
14 regardless of the situs of the delivery of the policy, that has
15 an expiration date of ~~is~~ less than 365 days after the effective
16 date of the policy or certificate.

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

18 (215 ILCS 190/10)

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

20 (a) This Act applies to health insurance issuers that
21 offer short-term, limited-duration health insurance coverage
22 to groups and individuals in this State and to short-term,
23 limited-duration health insurance coverage that is delivered
24 or issued for delivery in this State, including group coverage
25 issued outside of this State that covers individuals in this

1 State.

2 (b) A short-term, limited-duration health insurance
3 coverage policy or certificate may not be issued or delivered
4 to any natural or legal person residing in this State unless
5 the policy or certificate, when delivered or issued for
6 delivery in this State, complies with the provisions of this
7 Act.

8 (b-5) In addition to the entities recognized under Section
9 230.1 or 367 of the Illinois Insurance Code or under the Health
10 Maintenance Organization Act as eligible for group coverage, a
11 group policy of short-term, limited-duration health insurance
12 coverage may be issued to an institution of higher education
13 for the benefit of its enrolled students and their dependents
14 for purposes of this Act.

15 (c) Any short-term, limited-duration health insurance
16 coverage policy or certificate that is delivered or issued for
17 delivery in this State must have an expiration date in the
18 policy that is less than the lesser of 181 days after the
19 effective date or any applicable time limitation provided in
20 federal law or regulation and shall not be renewable or
21 extendable within a period of 365 days after the individual's
22 coverage under the policy ends, either at the option of the
23 issuer or the individual. Renewal of a short-term,
24 limited-duration health insurance coverage policy or
25 certificate includes the issuance of a new or different
26 short-term, limited-duration health insurance policy or

1 certificate by an issuer to a policyholder ~~within 60 days~~
2 after the expiration of a policy or certificate previously
3 issued by the issuer to the policyholder.

4 (d) An issuer may not rescind any ~~Any~~ short-term,
5 limited-duration health insurance coverage policy or
6 certificate that is delivered or issued for delivery in this
7 State ~~may not be rescinded before the expiration date in the~~
8 ~~policy,~~ except as provided in Section 154 of the Illinois
9 Insurance Code. An issuer may not cancel any such policy or
10 certificate except for nonpayment of premiums or for fraud in
11 the making of a claim or an application for the policy or
12 certificate. Notwithstanding Section 357.22 of the Illinois
13 Insurance Code, cancellations for nonpayment of premiums shall
14 not be valid except upon 10 days' notice but may be effectuated
15 retroactively back to the last date of coverage for which
16 premiums were paid in cases of nonpayment of premiums, fraud,
17 ~~or as provided in subsection (e).~~

18 (e) Any short-term, limited-duration health insurance
19 coverage policy or certificate that is delivered or issued for
20 delivery in this State shall contain an option for an
21 individual to cancel coverage after any 30-day interval during
22 the term of the plan, counting such intervals from the
23 effective date of coverage.

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

1 Sec. 15. Disclosure requirements.

2 (a) A health insurance issuer that offers short-term,
3 limited-duration health insurance coverage to be delivered or
4 issued for delivery in this State shall, in addition to all
5 other documents required, including, but not limited to, the
6 policy, the certificate, the membership booklet, the completed
7 and signed application or enrollment form, all signed
8 confirmations required by this Section, and a description of
9 appeal and external review rights, deliver an outline of
10 coverage to an applicant for or an enrollee in short-term,
11 limited-duration health insurance coverage delivered or issued
12 for delivery in this State.

13 (b) Any short-term, limited-duration health insurance
14 coverage policy that is delivered or issued for delivery in
15 the State shall display prominently in the policy, any
16 application, sales, and marketing materials provided in
17 connection with enrollment in such coverage, and the outline
18 of coverage for such coverage, in at least 14-point, bold
19 type, the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION
20 INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL
21 REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR
22 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF
23 COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS
24 REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS
25 ARE NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK
26 YOUR POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE

1 POLICY DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU
2 LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT
3 UNTIL THE NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH
4 INSURANCE COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM
5 INSURANCE THAT QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR
6 HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO
7 PAY FOR IT AT WWW.HEALTHCARE.GOV."

8 (c)(1) Before enrolling any individual or accepting any
9 application for group or individual short-term,
10 limited-duration health insurance coverage to be delivered or
11 issued for delivery in this State, an insurance producer or a
12 health insurance issuer doing direct sales shall provide a
13 disclosure to the prospective purchaser or enrollee to reflect
14 each essential health benefit in the State of Illinois,
15 identify whether the policy or certificate covers that
16 benefit, and obtain the prospective purchaser or enrollee's
17 signed confirmation of receipt of this disclosure. The signed
18 confirmation document must be in at least 12-point type and
19 must include the complete list of essential health benefits
20 and an indication for each benefit as to whether the policy or
21 certificate covers it to the extent provided in the Illinois
22 Essential Health Benefits Benchmark Plan. The confirmation
23 document may be included within the application. An insurance
24 producer or other representative of an issuer or its
25 administrator may not sign on the prospective purchaser or
26 enrollee's behalf.

1 (2) For coverage offered to an individual in this State
2 under a group policy by a representative of the group
3 policyholder or its administrator, if the issuer does not
4 receive the signed confirmation within or with the
5 individual's completed and signed application or enrollment
6 form, the issuer must provide this disclosure to the
7 individual and obtain the individual's signed confirmation
8 before enrolling the individual under the coverage.

9 (d)(1) Before enrolling any individual or accepting any
10 individual application for short-term, limited-duration health
11 insurance coverage, an insurance producer or a health
12 insurance issuer doing direct sales must provide a disclosure
13 of the complete list of qualifying events for special
14 enrollment with the prospective purchaser or enrollee, prompt
15 the applicant or enrollee to identify any qualifying event for
16 special enrollment that applies to the applicant or enrollee
17 on the date the short-term, limited-duration health insurance
18 coverage is submitted, and obtain the prospective purchaser or
19 enrollee's signed confirmation as to whether the individual
20 has experienced a qualifying event within the time frames
21 provided under the Patient Protection and Affordable Care Act.
22 The signed confirmation must be in at least 12-point type and
23 must include the complete list of qualifying events, the
24 relevant time frames for each, and an indication for each
25 qualifying event as to whether it applies to the individual.
26 This signed confirmation may be included within the

1 application. An insurance producer or other representative of
2 the issuer or its administrator may not sign the confirmation
3 on the individual's behalf.

4 (2) If the individual qualifies for special enrollment, or
5 during an open enrollment period described in 42 U.S.C.
6 300gg-1, the issuer or producer, before accepting the
7 application or enrollment, must inform the individual in
8 writing or via face-to-face interaction, telephone call, or
9 voicemail about the availability of qualified health plans on
10 the healthcare.gov website. If the issuer or producer also
11 offers policies in the individual market, the issuer or
12 producer may also inform the individual of the availability of
13 such plans.

14 (3) For coverage offered to an individual in this State
15 under a group policy by a representative of the group
16 policyholder or its administrator, if the issuer does not
17 receive the signed confirmation regarding qualifying events
18 within or with the individual's completed and signed
19 application or enrollment form, the issuer must provide this
20 disclosure to the individual and obtain the individual's
21 signed confirmation regarding qualifying events before
22 enrolling the individual under the coverage. If the individual
23 indicates that a qualifying event has occurred within the
24 relevant time frame, the issuer must comply with paragraph
25 (2).

26 (e) A health insurance issuer shall provide a website

1 where prospective purchasers or enrollees can review the
2 sample policy or certificate and the outline of coverage
3 before submitting their application or enrollment form. The
4 availability of this website shall be disclosed on the
5 application or enrollment form and in any sales or marketing
6 materials for the coverage.

7 (f) The policy or certificate and any application or
8 enrollment form must contain a provision stating that, during
9 a period of 10 days from the date the policy or certificate is
10 delivered, the group or individual may submit a written
11 request for retroactive cancellation of coverage and that in
12 such event the issuer will refund any premium paid for the
13 policy or certificate, including any contract fees or other
14 charges.

15 (g) In addition to the written disclosures, any insurance
16 producer ~~(e) Any individual~~ selling a short-term,
17 limited-duration health insurance coverage policy in this
18 State in face-to-face or telephonic sales interactions must
19 read out loud the disclosures ~~disclosure~~ in subsections
20 ~~subsection~~ (b), (c), (d), (e), and (f) to a prospective
21 purchaser or enrollee. An issuer ~~entity~~ selling a short-term,
22 limited-duration health insurance coverage policy or
23 certificate in Illinois must display the disclosures
24 ~~disclosure~~ in subsections ~~subsection~~ (b), (c), (d), (e), and
25 (f) on the webpage where a prospective purchaser or enrollee
26 would purchase or enroll in coverage. For sales conducted by

1 an insurance producer in face-to-face or telephonic
2 interactions, the application or enrollment form shall contain
3 an attestation to be initialed by the applicant that the
4 producer read each disclosure out loud, that the applicant
5 understood each disclosure, and that the applicant was given
6 opportunities to ask the producer questions about each
7 disclosure and to review the policy or certificate and the
8 outline of coverage.

9 (h) ~~(d)~~ Nothing in this Section precludes an issuer
10 ~~insurer~~ from providing disclosures in addition to those
11 required in subsections (b), ~~and~~ (c), (d), (e), and (f).
12 Nothing in this Section precludes an insurer from providing
13 disclosures intended to clarify those required in subsections
14 (b), ~~and~~ (c), (d), (e), and (f) if approved by the Department.
15 Nothing in this Section precludes an issuer from including the
16 written disclosures required in subsections (c) and (d) on the
17 application or enrollment form.

18 (i) No policy or certificate of short-term,
19 limited-duration health insurance coverage shall be delivered
20 or issued for delivery in this State unless the prospective
21 purchaser or enrollee reviews and signs the completed written
22 application or enrollment form. Any application or enrollment
23 form submitted by an insurance producer to a health insurance
24 issuer shall contain an attestation clause signed by the
25 producer stating that the producer received the signed form
26 from the applicant, that no alterations have been made to any

1 of the applicant's personal information appearing on the
2 signed form at the time the producer received it, and that the
3 applicant received and signed all disclosures described in
4 this Section.

5 (j) Nothing in this Act shall preclude a prospective
6 purchaser or enrollee from designating an authorized
7 representative to act on his or her behalf in relation to the
8 purchase or enrollment. However, no designation of an
9 insurance producer, a health insurance issuer, or an agent or
10 employee of either shall be valid with respect to the
11 disclosures, applications, enrollment forms, and signed
12 confirmations under this Section.

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

14 (215 ILCS 190/20)

15 Sec. 20. Filing and approval.

16 (a) Coverage subject to this Act may not be delivered or
17 issued for delivery in this State unless the health insurance
18 issuer has complied with the policy form and rate filing
19 requirements of Sections 143 and 355 of the Illinois Insurance
20 Code or Sections 4-12 and 4-13 of the Health Maintenance
21 Organization Act, as applicable, including the rules adopted
22 thereunder ~~policy evidencing such coverage has been filed with~~
23 ~~and been approved by the Department.~~

24 (b) A health insurance issuer that ~~who~~ intends to deliver
25 or issue for delivery a short-term, limited-duration health

1 insurance coverage policy or certificate in this State shall
2 file with the Department: ~~(1) all paperwork required for~~
3 ~~individual health insurance coverage pursuant to 50 Ill. Adm.~~
4 ~~Code 916; and (2) all sales and marketing materials provided~~
5 in connection with enrollment in such coverage for
6 informational purposes.

7 (c) (Blank). ~~The Department shall adopt any rules~~
8 ~~necessary to carry out the provisions of this Act.~~

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

10 (215 ILCS 190/25 new)

11 Sec. 25. Coverage requirements; other laws.

12 (a) Except where inconsistent with this Act, a health
13 insurance issuer that offers any policy or certificate of
14 short-term, limited-duration health insurance coverage shall
15 be subject to all Illinois insurance laws or rules not
16 specifically referenced in this Act that apply to major
17 medical accident and health insurance or health maintenance
18 organization health care plans, as applicable to the
19 certificate of authority under which the short-term,
20 limited-duration health insurance coverage is offered or
21 issued, and that do not:

22 (1) require the policy or certificate to cover
23 essential health benefits or other specified health care
24 services or to maintain parity between certain types of
25 benefits;

- 1 (2) require the prohibition of underwriting;
2 (3) prescribe standards for continuation coverage or
3 conversion privileges;
4 (4) prohibit or prescribe standards for allowable
5 cost-sharing amounts; or
6 (5) require an issuer to satisfy standards for the
7 adequacy and transparency of any provider network through
8 which the insured or enrollee is required or incentivized
9 to obtain covered health care services.

10 (b) Notwithstanding subsection (a), no State law or rule
11 shall apply to the extent that it would require a policy or
12 certificate of short-term, limited-duration health insurance
13 coverage to provide coverage for at least 3 calendar months or
14 to renew, extend, or reinstate coverage within 365 days of the
15 date that coverage terminates.

16 (c) Nothing in this Act shall exempt a health maintenance
17 organization offering short-term, limited-duration health
18 insurance coverage from the requirements for coverage of basic
19 health care services or other requirements to maintain and
20 restrictions on a certificate of authority under Sections 2-1
21 through 2-3 of the Health Maintenance Organization Act.

22 (215 ILCS 190/30 new)

23 Sec. 30. Unfair or deceptive practices relating to the
24 sale of supplemental or short-term, limited-duration health
25 insurance coverage.

1 (a) It is an unlawful method, act, or practice within the
2 meaning of this Act for any person who solicits, negotiates,
3 sells, offers, offers to enroll, issues, or delivers
4 short-term, limited-duration health insurance coverage or
5 excepted benefits within this State, or advertisers for such
6 persons, or persons whose business transactions include
7 referring or directing prospective purchasers or enrollees of
8 health insurance coverage that reside or are domiciled in this
9 State to health insurance issuers or insurance producers
10 transacting business in this State, to do any of the
11 following:

12 (1) represent or warrant to any prospective purchaser
13 or enrollee, or use language or imagery in speech or
14 published content that is suggestive, that a policy or
15 certificate of excepted benefits or short-term,
16 limited-duration health insurance coverage, or any
17 combination of such policies or certificates, constitutes
18 minimum essential coverage;

19 (2) represent or warrant to any prospective purchaser
20 or enrollee, or use language or imagery in speech or
21 published content that is suggestive, that a policy or
22 certificate of excepted benefits or short-term,
23 limited-duration health insurance coverage, or any
24 combination of such policies or certificates, is similar
25 to, is almost as beneficial as, can be used for similar
26 purposes as, or may be better for the prospective

1 purchaser or enrollee than minimum essential coverage,
2 major medical coverage that complies with all Illinois
3 requirements, a health maintenance organization health
4 care plan that complies with all Illinois requirements, a
5 voluntary health services plan, comprehensive health
6 insurance coverage, a qualified health plan, or any other
7 description of coverage indicating such policies or
8 certificates; or

9 (3) use any logo, brand, trademark, service mark,
10 mark, device, name, tagline, slogan, descriptor, or
11 website domain that is deceptively similar to those used
12 for Get Covered Illinois or the healthcare.gov website,
13 including those that do not expressly mention Illinois or
14 its political subdivisions. This paragraph expressly
15 includes circumstances that would not violate the
16 Counterfeit Trademark Act.

17 (b) This Section does not apply to Internet search
18 engines, Internet service providers, website domain
19 registrars, Internet network hardware providers, or other
20 natural or legal persons insofar as they do not propose,
21 approve, or submit the content published by an insurance
22 producer, health insurance issuer, or their advertisers, or
23 propose, approve, or submit the content published by persons
24 whose business transactions include referring prospective
25 purchasers or enrollees resident or domiciled in this State to
26 health insurance issuers or insurance producers transacting

1 business in this State.

2 (215 ILCS 190/35 new)

3 Sec. 35. Department administration and enforcement. The
4 Department may adopt any rules necessary to carry out the
5 provisions of this Act. The Department shall have all
6 enforcement powers granted to it by law with respect to
7 accident and health insurance and health maintenance
8 organization health care plans and all persons otherwise under
9 the Director's jurisdiction.

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

17 Section 99. Effective date. This Act takes effect January
18 1, 2026.

1		INDEX
2		Statutes amended in order of appearance
3	215 ILCS 5/121-2.05	from Ch. 73, par. 733-2.05
4	215 ILCS 5/356z.18	
5	215 ILCS 5/367.3	from Ch. 73, par. 979.3
6	215 ILCS 5/367a	from Ch. 73, par. 979a
7	215 ILCS 5/368f	
8	215 ILCS 5/424	from Ch. 73, par. 1031
9	215 ILCS 5/425	from Ch. 73, par. 1032
10	215 ILCS 5/500-70	
11	215 ILCS 190/2 new	
12	215 ILCS 190/5	
13	215 ILCS 190/10	
14	215 ILCS 190/15	
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