

# SB1553



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB1553

Introduced 2/9/2011, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/359c

Amends the Illinois Insurance Code. Provides that statements of the aggregate administrative expenses of the carrier that a carrier providing a group or individual major medical policy of accident or health insurance shall prepare and provide to the Department of Insurance shall be filed annually (rather than every 6 months) and that the statements shall be filed on or before April 1 for the preceding calendar year. Makes related changes. Effective immediately.

LRB097 09436 RPM 49571 b

A BILL FOR

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Section 359c as follows:

6 (215 ILCS 5/359c)

7 Sec. 359c. Accident and health expense reporting.

8 (a) Beginning January 1, 2011 ~~and every 6 months~~  
9 ~~thereafter~~, any carrier providing a group or individual major  
10 medical policy of accident or health insurance shall prepare  
11 and provide to the Department of Insurance a statement of the  
12 aggregate administrative expenses of the carrier, based on the  
13 premiums earned in the immediately preceding calendar year  
14 ~~6 month period~~ on the accident or health insurance business of  
15 the carrier. The annual ~~semi-annual~~ statements shall be filed  
16 on or before April 1 ~~July 31~~ for the preceding calendar year  
17 ~~6 month period ending June 30 and on or before February 1 for~~  
18 ~~the preceding 6 month period ending December 31~~. The statements  
19 shall itemize and separately detail all of the following  
20 information with respect to the carrier's accident or health  
21 insurance business:

22 (1) the amount of premiums earned by the carrier both  
23 before and after any costs related to the carrier's

1 purchase of reinsurance coverage;

2 (2) the total amount of claims for losses paid by the  
3 carrier both before and after any reimbursement from  
4 reinsurance coverage including any costs incurred related  
5 to:

6 (A) disease, case, or chronic care management  
7 programs;

8 (B) wellness and health education programs;

9 (C) fraud prevention;

10 (D) maintaining provider networks and provider  
11 credentialing;

12 (E) health information technology for personal  
13 electronic health records; and

14 (F) utilization review and utilization management;

15 (3) the amount of any losses incurred by the carrier  
16 but not reported to the carrier in the current or prior  
17 reporting period;

18 (4) the amount of costs incurred by the carrier for  
19 State fees and federal and State taxes including:

20 (A) any high risk pool and guaranty fund  
21 assessments levied on the carrier by the State; and

22 (B) any regulatory compliance costs including  
23 State fees for form and rate filings, licensures,  
24 market conduct exams, and financial reports;

25 (5) the amount of costs incurred by the carrier for  
26 reinsurance coverage;

1           (6) the amount of costs incurred by the carrier that  
2           are related to the carrier's payment of marketing expenses  
3           including commissions; and

4           (7) any other administrative expenses incurred by the  
5           carrier.

6           (b) The information provided pursuant to subsection (a) of  
7           this Section shall be separately aggregated for the following  
8           lines of major medical insurance:

9           (1) individually underwritten;

10          (2) groups of 2 to 25 members;

11          (3) groups of 26 to 50 members;

12          (4) groups of 51 or more members.

13          (c) The Department shall make the submitted information  
14          publicly available on the Department's website or such other  
15          media as appropriate in a form useful for consumers.

16          (Source: P.A. 96-857, eff. 1-5-10.)

17          Section 99. Effective date. This Act takes effect upon  
18          becoming law.