

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

6 Section 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 Section 10. Application; scope; duration of coverage.

22 (a) This Act applies to health insurance issuers that offer

1 short-term, limited-duration health insurance coverage to
2 individuals in this State and to short-term, limited-duration
3 health insurance coverage that is delivered or issued for
4 delivery in this State, including coverage issued outside of
5 this State that covers individuals in this State.

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

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

23 (d) Any short-term, limited-duration health insurance
24 coverage policy that is delivered or issued for delivery in
25 this State may not be rescinded before the expiration date in
26 the policy, except in cases of nonpayment of premiums, fraud,

1 or as provided in subsection (e).

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

6 Section 15. Disclosure requirements.

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

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

1 INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS REQUIRED BY THE
2 AFFORDABLE CARE ACT. PREEXISTING CONDITIONS ARE NOT COVERED
3 UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK YOUR POLICY
4 CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE POLICY DOES AND
5 DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU LOSE
6 ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT UNTIL THE
7 NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH INSURANCE
8 COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM INSURANCE THAT
9 QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR HEALTH INSURANCE
10 UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO PAY FOR IT AT
11 WWW.HEALTHCARE.GOV."

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

20 (d) Nothing in this Section precludes an insurer from
21 providing disclosures in addition to those required in
22 subsections (b) and (c). Nothing in this Section precludes an
23 insurer from providing disclosures intended to clarify those
24 required in subsections (b) and (c) if approved by the
25 Department.

1 Section 20. Filing and approval.

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

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

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

12 (2) all sales and marketing materials provided in
13 connection with enrollment in such coverage for
14 informational purposes.

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

17 Section 99. Effective date. This Act takes effect January
18 1, 2019.