

SB0309



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0309

Introduced 1/24/2017, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

215 ILCS 125/2-6

from Ch. 111 1/2, par. 1406.2

Amends the Health Maintenance Organization Act. Makes a technical change in a Section concerning deposits with the Director of Insurance.

LRB100 05111 SMS 15121 b

A BILL FOR

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 Health Maintenance Organization Act is
5 amended by changing Section 2-6 as follows:

6 (215 ILCS 125/2-6) (from Ch. 111 1/2, par. 1406.2)

7 Sec. 2-6. Statutory deposits.

8 (a) An organization subject to the ~~the~~ provisions of this
9 Act shall make and maintain with the Director through December
10 30, 1993, for the protection of enrollees of the organization,
11 a deposit of securities which are authorized investments under
12 paragraphs (1) and (2) of subsection (h) of Section 3-1 having
13 a fair market value equal to at least \$100,000. Effective
14 December 31, 1993 and through December 30, 1994, the deposit
15 shall have a fair market value at least equal to \$200,000.
16 Effective December 31, 1994 and thereafter, the deposit shall
17 have a fair market value at least equal to \$300,000. An
18 organization issued a certificate of authority on or after the
19 effective date of this Amendatory Act of 1993, shall make and
20 maintain with the Director; for the protection of enrollees of
21 the organization, a deposit of securities which are authorized
22 investments under paragraphs (1) and (2) of subsection (h) of
23 Section 3-1 having a fair market value equal to at least

1 \$300,000. The amount on deposit shall remain as an admitted
2 asset of the organization in the determination of its net
3 worth. The Director may release the required deposit of
4 securities upon receipt of an order of a court having proper
5 jurisdiction or upon: (i) certification by the organization
6 that it has no outstanding enrollee creditors, enrollees,
7 certificate holders, or enrollee obligations in effect and no
8 plans to engage in the business of insurance as a health
9 maintenance organization; (ii) receipt of a lawful resolution
10 of the organization's governing body effecting the surrender of
11 its certificate of authority, articles of incorporation, or
12 other organizational documents to their issuing governmental
13 officer for voluntary or administrative dissolution; and (iii)
14 receipt of the name and forwarding address for each of the
15 final officers and directors of the organization, together with
16 a plan of dissolution approved by the Director.

17 (b) An organization that offers a point-of-service
18 product, as permitted by Article 4.5, must maintain an
19 additional deposit in an amount that is not less than the
20 greater of 125% of the organization's annual projected
21 point-of-service claims or \$300,000.

22 (Source: P.A. 92-75, eff. 7-12-01; 92-135, eff. 1-1-02; 92-651,
23 eff. 7-11-02.)