

# HB3320



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3320

Introduced 2/15/2019, by Rep. Jaime M. Andrade, Jr.

### SYNOPSIS AS INTRODUCED:

215 ILCS 5/511.101

from Ch. 73, par. 1065.58-101

Amends the Third Party Administrators Article of the Illinois Insurance Code. Excludes a dental service plan regulated by the Code from the definition of "administrator".

LRB101 08699 RAB 53784 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 Illinois Insurance Code is amended by  
5 changing Section 511.101 as follows:

6 (215 ILCS 5/511.101) (from Ch. 73, par. 1065.58-101)

7 (Section scheduled to be repealed on January 1, 2027)

8 Sec. 511.101. Definitions. For the purpose of this Article:

9 (a) "Administrator" means any person who on behalf of a  
10 plan sponsor or insurer receives or collects charges,  
11 contributions or premiums for, or adjusts or settles claims on  
12 residents of this State in connection with any type of life or  
13 accident or health benefit provided through or as an  
14 alternative to insurance within the scope of Class 1(a), 1(b)  
15 or 2(a) of Section 4 of this ~~the Illinois Insurance~~ Code, other  
16 than any of the following:

17 (1) A corporation, association, trust or partnership  
18 which is administering a plan (i) on behalf of the  
19 employees of such corporation, association, trust or  
20 partnership or (ii) for the employees of one or more  
21 subsidiaries or affiliated corporations or affiliated  
22 associations, trusts or partnerships;

23 (2) A union administering a plan for its members;

- 1 (3) A plan sponsor administering its own plan;
- 2 (4) An insurer or dental service plan to the extent  
3 regulated by this ~~the Illinois Insurance Code~~;
- 4 (5) A producer licensed in this State whose insurance  
5 activities are limited to the scope of such license;
- 6 (6) A trust and its trustees and employees acting  
7 pursuant to its trust agreement established in conformity  
8 with 29 U.S.C. 186;
- 9 (7) A person who adjusts or settles claims in the  
10 normal course of such person's practice or employment as an  
11 attorney-at-law, and who does not collect contributions or  
12 premiums in connection with life or accident or health  
13 coverage;
- 14 (8) A person who administers only self-insured  
15 workers' compensation plans, or single employer self  
16 insured life or accident or health benefit plans;
- 17 (9) A credit card issuing company which advances for  
18 and collects premiums or charges from its credit card  
19 holders who have authorized such collection, if such  
20 company does not adjust or settle claims;
- 21 (10) A creditor on behalf of its debtors with respect  
22 to insurance covering a debt between the creditor and its  
23 debtors.
- 24 (b) "Covered Individual" means any individual eligible for  
25 life or accident or health benefits under a plan.
- 26 (c) "Contributions" means any money charged a covered

1 individual, plan sponsor or other entity to fund the  
2 self-insured portion of any plan in accordance with written  
3 provisions of the plan or contracts of insurance. Contributions  
4 shall include administrative fees charged to a covered  
5 individual. Administrative fee means any compensation paid by a  
6 covered individual for services performed by the  
7 administrator.

8 (d) "Premiums" means any money charged a covered  
9 individual, plan sponsor or other entity to provide life or  
10 accident or health insurance under a plan. The term premium  
11 shall include amounts paid by or charged to a covered  
12 individual plan sponsor or other entity for stop loss or excess  
13 insurance.

14 (e) "Charges" means any compensation paid by a plan sponsor  
15 or insurer for services performed by the administrator.

16 (f) "Administrator Trust Fund", hereinafter referred to as  
17 "ATF", means a special fiduciary account established and  
18 maintained by an administrator pursuant to Section 511.112 in  
19 which contributions and premiums are deposited.

20 (g) "Claims Administration Services Account", hereinafter  
21 referred to as "CASA", means a special fiduciary account  
22 established and maintained by an administrator pursuant to  
23 Section 511.112 of this Code from which claims and claims  
24 adjustment expenses are disbursed.

25 (h) "Plan Sponsor" means any person other than an insurer,  
26 who establishes or maintains a plan covering residents of this

1 State, including but not limited to plans established or  
2 maintained by 2 or more employers or jointly by one or more  
3 employers and one or more employee organizations, the  
4 association, committee, joint board of trustees, or other  
5 similar group of representatives of the parties who establish  
6 or maintain the plan.

7 Provided, however, that "Plan Sponsor" shall not include:

8 (1) The employer in the case of a plan established or  
9 maintained by a single employer; or

10 (2) The employee organization in the case of a plan  
11 established or maintained by an employee organization.

12 No plan sponsor covered in whole by provisions of the  
13 Employee Retirement Income Security Act of 1974 (ERISA) shall  
14 be covered by any of the provisions of this Act to the extent  
15 that such provisions are inconsistent with or in conflict with  
16 any provisions of ERISA as now or hereafter amended.

17 (i) "Financial Institution" means any federal or state  
18 chartered bank or savings and loan institution which is insured  
19 by the Federal Deposit Insurance Corporation (FDIC) or the  
20 Federal Savings and Loan Insurance Corporation (FSLIC).

21 (j) "Plan" means any plan, fund or program established or  
22 maintained by a plan sponsor or insurer to the extent that such  
23 plan, fund or program was established or is maintained to  
24 provide through insurance or alternatives to insurance any type  
25 of life or accident or health benefit within the scope of Class  
26 1(a), 1(b) or 2(a) of Section 4 of the Illinois Insurance Code.

1           (k) "Insurer" means any person who transacts insurance or  
2 health care service business authorized under the laws of this  
3 State.

4           (l) "Quasi-resident" means a nonresident licensee who  
5 produces 50% or more of his contributions and premium volume  
6 during a calendar year from residents of this State.

7           (Source: P.A. 84-1431.)