

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 adding Section 155.49 as follows:

6 (215 ILCS 5/155.49 new)

7 Sec. 155.49. Insurance company supplier diversity report.

8 (a) Every company authorized to do business in this State  
9 or accredited by this State with assets of at least  
10 \$50,000,000 shall submit a 2-page report on its voluntary  
11 supplier diversity program, or the company's procurement  
12 program if there is no supplier diversity program, to the  
13 Department. The report shall set forth all of the following:

14 (1) The name, address, phone number, and email address  
15 of the point of contact for the supplier diversity program  
16 for vendors to register with the program.

17 (2) Local and State certifications the company accepts  
18 or recognizes for minority-owned, women-owned, LGBT-owned,  
19 or veteran-owned business status.

20 (3) On the second page, a narrative explaining the  
21 results of the program and the tactics to be employed to  
22 achieve the goals of its voluntary supplier diversity  
23 program.

1           (4) The voluntary goals for the calendar year for  
2           which the report is made in each category for the entire  
3           budget of the company and the commodity codes or a  
4           description of particular goods and services for the area  
5           of procurement in which the company expects most of those  
6           goals to focus on in that year.

7           Each company is required to submit a searchable report, in  
8           Portable Document Format (PDF), to the Department on or before  
9           April 1, 2024 and on or before April 1 every year thereafter.

10          (b) For each report submitted under subsection (a), the  
11          Department shall publish the results on its Internet website  
12          for 5 years after submission. The Department is not  
13          responsible for collecting the reports or for the content of  
14          the reports.

15          (c) The Department shall hold an annual insurance company  
16          supplier diversity workshop in July of 2024 and every July  
17          thereafter to discuss the reports with representatives of the  
18          companies and vendors.

19          (d) The Department shall prepare a one-page template, not  
20          including the narrative section, for the voluntary supplier  
21          diversity reports.

22          (e) The Department may adopt such rules as it deems  
23          necessary to implement this Section.

24                Section 10. The Dental Service Plan Act is amended by  
25                changing Section 25 as follows:

1 (215 ILCS 110/25) (from Ch. 32, par. 690.25)

2 Sec. 25. Application of Insurance Code provisions. Dental  
3 service plan corporations and all persons interested therein  
4 or dealing therewith shall be subject to the provisions of  
5 Articles IIA, XI, and XII 1/2 and Sections 3.1, 133, 136, 139,  
6 140, 143, 143c, 149, 155.49, 355.2, 355.3, 367.2, 401, 401.1,  
7 402, 403, 403A, 408, 408.2, and 412, and subsection (15) of  
8 Section 367 of the Illinois Insurance Code.

9 (Source: P.A. 99-151, eff. 7-28-15.)

10 Section 15. The Health Maintenance Organization Act is  
11 amended by changing Section 5-3 as follows:

12 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

13 Sec. 5-3. Insurance Code provisions.

14 (a) Health Maintenance Organizations shall be subject to  
15 the provisions of Sections 133, 134, 136, 137, 139, 140,  
16 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153,  
17 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 155.49,  
18 355.2, 355.3, 355b, 355c, 356g.5-1, 356m, 356q, 356v, 356w,  
19 356x, 356y, 356z.2, 356z.3a, 356z.4, 356z.4a, 356z.5, 356z.6,  
20 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14,  
21 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25,  
22 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33,  
23 356z.35, 356z.36, 356z.40, 356z.41, 356z.46, 356z.47, 356z.48,

1 356z.50, 356z.51, 256z.53, 356z.54, 356z.56, 356z.57, 356z.59,  
2 364, 364.01, 364.3, 367.2, 367.2-5, 367i, 368a, 368b, 368c,  
3 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408,  
4 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection  
5 (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2,  
6 XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois  
7 Insurance Code.

8 (b) For purposes of the Illinois Insurance Code, except  
9 for Sections 444 and 444.1 and Articles XIII and XIII 1/2,  
10 Health Maintenance Organizations in the following categories  
11 are deemed to be "domestic companies":

12 (1) a corporation authorized under the Dental Service  
13 Plan Act or the Voluntary Health Services Plans Act;

14 (2) a corporation organized under the laws of this  
15 State; or

16 (3) a corporation organized under the laws of another  
17 state, 30% or more of the enrollees of which are residents  
18 of this State, except a corporation subject to  
19 substantially the same requirements in its state of  
20 organization as is a "domestic company" under Article VIII  
21 1/2 of the Illinois Insurance Code.

22 (c) In considering the merger, consolidation, or other  
23 acquisition of control of a Health Maintenance Organization  
24 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

25 (1) the Director shall give primary consideration to  
26 the continuation of benefits to enrollees and the

1 financial conditions of the acquired Health Maintenance  
2 Organization after the merger, consolidation, or other  
3 acquisition of control takes effect;

4 (2) (i) the criteria specified in subsection (1) (b) of  
5 Section 131.8 of the Illinois Insurance Code shall not  
6 apply and (ii) the Director, in making his determination  
7 with respect to the merger, consolidation, or other  
8 acquisition of control, need not take into account the  
9 effect on competition of the merger, consolidation, or  
10 other acquisition of control;

11 (3) the Director shall have the power to require the  
12 following information:

13 (A) certification by an independent actuary of the  
14 adequacy of the reserves of the Health Maintenance  
15 Organization sought to be acquired;

16 (B) pro forma financial statements reflecting the  
17 combined balance sheets of the acquiring company and  
18 the Health Maintenance Organization sought to be  
19 acquired as of the end of the preceding year and as of  
20 a date 90 days prior to the acquisition, as well as pro  
21 forma financial statements reflecting projected  
22 combined operation for a period of 2 years;

23 (C) a pro forma business plan detailing an  
24 acquiring party's plans with respect to the operation  
25 of the Health Maintenance Organization sought to be  
26 acquired for a period of not less than 3 years; and

1           (D) such other information as the Director shall  
2           require.

3           (d) The provisions of Article VIII 1/2 of the Illinois  
4           Insurance Code and this Section 5-3 shall apply to the sale by  
5           any health maintenance organization of greater than 10% of its  
6           enrollee population (including without limitation the health  
7           maintenance organization's right, title, and interest in and  
8           to its health care certificates).

9           (e) In considering any management contract or service  
10          agreement subject to Section 141.1 of the Illinois Insurance  
11          Code, the Director (i) shall, in addition to the criteria  
12          specified in Section 141.2 of the Illinois Insurance Code,  
13          take into account the effect of the management contract or  
14          service agreement on the continuation of benefits to enrollees  
15          and the financial condition of the health maintenance  
16          organization to be managed or serviced, and (ii) need not take  
17          into account the effect of the management contract or service  
18          agreement on competition.

19          (f) Except for small employer groups as defined in the  
20          Small Employer Rating, Renewability and Portability Health  
21          Insurance Act and except for medicare supplement policies as  
22          defined in Section 363 of the Illinois Insurance Code, a  
23          Health Maintenance Organization may by contract agree with a  
24          group or other enrollment unit to effect refunds or charge  
25          additional premiums under the following terms and conditions:

26                 (i) the amount of, and other terms and conditions with

1           respect to, the refund or additional premium are set forth  
2           in the group or enrollment unit contract agreed in advance  
3           of the period for which a refund is to be paid or  
4           additional premium is to be charged (which period shall  
5           not be less than one year); and

6           (ii) the amount of the refund or additional premium  
7           shall not exceed 20% of the Health Maintenance  
8           Organization's profitable or unprofitable experience with  
9           respect to the group or other enrollment unit for the  
10          period (and, for purposes of a refund or additional  
11          premium, the profitable or unprofitable experience shall  
12          be calculated taking into account a pro rata share of the  
13          Health Maintenance Organization's administrative and  
14          marketing expenses, but shall not include any refund to be  
15          made or additional premium to be paid pursuant to this  
16          subsection (f)). The Health Maintenance Organization and  
17          the group or enrollment unit may agree that the profitable  
18          or unprofitable experience may be calculated taking into  
19          account the refund period and the immediately preceding 2  
20          plan years.

21          The Health Maintenance Organization shall include a  
22          statement in the evidence of coverage issued to each enrollee  
23          describing the possibility of a refund or additional premium,  
24          and upon request of any group or enrollment unit, provide to  
25          the group or enrollment unit a description of the method used  
26          to calculate (1) the Health Maintenance Organization's

1 profitable experience with respect to the group or enrollment  
2 unit and the resulting refund to the group or enrollment unit  
3 or (2) the Health Maintenance Organization's unprofitable  
4 experience with respect to the group or enrollment unit and  
5 the resulting additional premium to be paid by the group or  
6 enrollment unit.

7 In no event shall the Illinois Health Maintenance  
8 Organization Guaranty Association be liable to pay any  
9 contractual obligation of an insolvent organization to pay any  
10 refund authorized under this Section.

11 (g) Rulemaking authority to implement Public Act 95-1045,  
12 if any, is conditioned on the rules being adopted in  
13 accordance with all provisions of the Illinois Administrative  
14 Procedure Act and all rules and procedures of the Joint  
15 Committee on Administrative Rules; any purported rule not so  
16 adopted, for whatever reason, is unauthorized.

17 (Source: P.A. 101-13, eff. 6-12-19; 101-81, eff. 7-12-19;  
18 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff.  
19 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; 101-625,  
20 eff. 1-1-21; 102-30, eff. 1-1-22; 102-34, eff. 6-25-21;  
21 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-443, eff.  
22 1-1-22; 102-589, eff. 1-1-22; 102-642, eff. 1-1-22; 102-665,  
23 eff. 10-8-21; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
24 102-804, eff. 1-1-23; 102-813, eff. 5-13-22; 102-816, eff.  
25 1-1-23; 102-860, eff. 1-1-23; 102-901, eff. 7-1-22; 102-1093,  
26 eff. 1-1-23; revised 12-13-22.)



1 Section 20. The Limited Health Service Organization Act is  
2 amended by changing Section 4003 as follows:

3 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

4 Sec. 4003. Illinois Insurance Code provisions. Limited  
5 health service organizations shall be subject to the  
6 provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
7 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
8 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 155.49, 355.2,  
9 355.3, 355b, 356q, 356v, 356z.10, 356z.21, 356z.22, 356z.25,  
10 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.41,  
11 356z.46, 356z.47, 356z.51, 356z.53, 356z.54, 356z.57, 356z.59,  
12 364.3, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,  
13 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,  
14 XIII 1/2, XXV, and XXVI of the Illinois Insurance Code. For  
15 purposes of the Illinois Insurance Code, except for Sections  
16 444 and 444.1 and Articles XIII and XIII 1/2, limited health  
17 service organizations in the following categories are deemed  
18 to be domestic companies:

19 (1) a corporation under the laws of this State; or

20 (2) a corporation organized under the laws of another  
21 state, 30% or more of the enrollees of which are residents  
22 of this State, except a corporation subject to  
23 substantially the same requirements in its state of  
24 organization as is a domestic company under Article VIII

1           1/2 of the Illinois Insurance Code.  
2       (Source: P.A. 101-81, eff. 7-12-19; 101-281, eff. 1-1-20;  
3       101-393, eff. 1-1-20; 101-625, eff. 1-1-21; 102-30, eff.  
4       1-1-22; 102-203, eff. 1-1-22; 102-306, eff. 1-1-22; 102-642,  
5       eff. 1-1-22; 102-731, eff. 1-1-23; 102-775, eff. 5-13-22;  
6       102-813, eff. 5-13-22; 102-816, eff. 1-1-23; 102-860, eff.  
7       1-1-23; 102-1093, eff. 1-1-23; revised 12-13-22.)