



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB1287

Introduced 2/3/2023, by Sen. Laura Fine

#### SYNOPSIS AS INTRODUCED:

New Act  
215 ILCS 110/34

from Ch. 32, par. 690.34

Creates the Dental Loss Ratio Act. Sets forth provisions concerning dental loss ratio reporting. Provides that a health insurer or dental plan carrier that issues, sells, renews, or offers a specialized health insurance policy covering dental services shall, beginning July 1, 2023, annually submit to the Department of Insurance a dental loss ratio filing. Provides a formula for calculating minimum dental loss ratios. Sets forth provisions concerning minimum dental loss ratio requirements. Provides that the Department may adopt rules to implement the Act. Provides that the Act does not apply to an insurance policy issued, sold, renewed, or offered for health care services or coverage provided as a function of the State of Illinois Medicaid coverage for children or adults or disability insurance for covered benefits in the single specialized area of dental-only health care that pays benefits on a fixed benefit, cash payment-only basis. Defines terms. Amends the Dental Service Plan Act. Provides that a dental service plan corporation shall not disburse during any one year (rather than shall not disburse during any one year, except upon the approval of the Director of Insurance) a sum greater than 20% of payments received from subscribers during that year as administrative expenses. Effective immediately.

LRB103 25066 BMS 51401 b

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 1. Short title. This Act may be referred to as the  
5 Dental Loss Ratio Act.

6 Section 5. Definitions. As used in this Act:

7 "Dental care provider" means a dentist who bills for  
8 services in Illinois.

9 "Dental loss ratio" means the ratio of incurred claims to  
10 earned premiums as calculated using the formula under Section  
11 10 of this Act.

12 "Dental plan carrier" means an entity subject to the  
13 insurance laws, rules, and regulations of this State or  
14 subject to the jurisdiction of the Director that contracts or  
15 offers to contract to provide, deliver, arrange for, pay for,  
16 or reimburse any of the costs of dental care services,  
17 including an accident and health insurance company, a health  
18 maintenance organization, a limited health service  
19 organization, a dental service plan corporation, a health  
20 services plan corporation, a voluntary health services plan,  
21 or any other entity providing a plan of dental insurance,  
22 dental benefits, or dental health care services.

23 "Department" means the Department of Insurance.

1 "Director" means the Director of Insurance.

2 "Earned premiums" means the portion of the premium paid in  
3 the reporting year that is intended to provide coverage during  
4 that reporting period.

5 "Incurred claims" means the claims for which services were  
6 provided in that reporting year. "Incurred claims" includes  
7 claims that were paid in the reporting year plus unpaid claim  
8 reserves for claims paid after the reporting year.

9 Section 10. Dental loss ratio reporting.

10 (a) A health insurer or dental plan carrier that issues,  
11 sells, renews, or offers a specialized health insurance policy  
12 covering dental services shall, beginning July 1, 2023,  
13 annually submit to the Department the dental loss ratio  
14 calculated in accordance with subsection (c). The annual  
15 filing shall, at a minimum, include rates, rating schedules,  
16 and supporting documentation, including ratios of incurred  
17 claims to earned premiums for each calendar year since the  
18 plan's issuance. The required information shall be in the form  
19 established by the Department and shall demonstrate that each  
20 plan complies with the minimum dental loss ratio standards.

21 (b) The annual filing shall be made publicly available on  
22 the Department's website.

23 (c) Minimum dental loss ratios are calculated by the  
24 following formula: the numerator is equal to the incurred  
25 claims for the dental loss ratio reporting year; and the

1 denominator is equal to the earned premiums for the dental  
2 loss ratio reporting year minus taxes and licensing and  
3 regulatory fees.

4 (d) If the Director decides to conduct an examination  
5 because the Director finds it necessary to verify a health  
6 insurer's or dental plan carrier's representation in a dental  
7 loss ratio report, then the Department shall provide the  
8 health insurer or dental plan carrier with a notification 30  
9 days before the commencement of the examination.

10 (e) The health insurer or dental plan carrier shall have  
11 30 days after the date of notification to electronically  
12 submit to the Department all requested records specified by  
13 the Department. The Director may extend the time for a health  
14 insurer or dental plan carrier to comply with this examination  
15 upon a finding of good cause.

16 Section 15. Dental loss ratio requirement.

17 (a) A health insurer or dental plan carrier that issues,  
18 sells, renews, or offers a specialized health insurance policy  
19 covering dental services shall meet a minimum dental loss  
20 ratio requirement of 80%.

21 (b) If the minimum dental loss ratio is not met, then the  
22 Department shall require a corrective action plan from the  
23 carrier to return excess premiums.

24 Section 20. Rulemaking. The Department may adopt rules to

1 implement this Act.

2 Section 25. Exemptions. This Act does not apply to an  
3 insurance policy issued, sold, renewed, or offered for health  
4 care services or coverage provided as a function of the State  
5 of Illinois Medicaid coverage for children or adults or  
6 disability insurance for covered benefits in the single  
7 specialized area of dental-only health care that pays benefits  
8 on a fixed benefit, cash payment-only basis.

9 Section 90. The Dental Service Plan Act is amended by  
10 changing Section 34 as follows:

11 (215 ILCS 110/34) (from Ch. 32, par. 690.34)

12 Sec. 34. No such corporation shall disburse during any one  
13 year, ~~except upon the approval of the Director,~~ a sum greater  
14 than 20% of payments received from subscribers during that  
15 year, as administrative expenses.

16 The term "administrative expense" as used in this Section  
17 ~~section~~ includes all expenditures for nonprofessional services  
18 and in general all expenses not directly connected with the  
19 payment for dental services, but does not include expenses of  
20 soliciting subscriptions.

21 (Source: Laws 1965, p. 2179.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.