

[215 Ill. Comp. Stat. §§ 190/1 through 190/20.]

§§ 190/5 through 190/20: Short-Term, Limited-Duration Health Insurance Coverage Act

§ 1. Short title.

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

§ 5. Definitions.

In this Act:

"Department" means the Department of Insurance.

"Health insurance coverage" has the meaning given to that term in the Illinois Health Insurance Portability and Accountability Act.

"Health insurance issuer" has the meaning given to that term in the Illinois Health Insurance Portability and Accountability Act.

"Fraud" means an intentional misrepresentation of a material fact in connection with the coverage.

"Short-term, limited-duration health insurance coverage" means health insurance coverage provided pursuant to a policy with an issuer, regardless of the situs of the delivery of the policy, that is less than 365 days after the effective date of the policy.

§ 10. Application; scope; duration of coverage.

(a) This Act applies to health insurance issuers that offer short-term, limited-duration health insurance coverage to individuals in this State and to short-term, limited-duration health insurance coverage that is delivered or issued for delivery in this State, including coverage issued outside of this State that covers individuals in this State.

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

(c) Any short-term, limited-duration health insurance coverage policy that is delivered or issued for delivery in this State must have an expiration date in the policy that is less than 181 days after the effective date and shall not be renewable or extendable within a period of 365 days after the individual's coverage under the policy ends, either at the option of the issuer or the individual. Renewal of a short-term, limited-duration health insurance coverage policy includes the issuance of a new short-term, limited-duration health insurance

policy by an issuer to a policyholder within 60 days after the expiration of a policy previously issued by the issuer to the policyholder.

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limited-duration health insurance coverage policy that is delivered or issued for delivery in this State may not be rescinded before the expiration date in the policy, except in cases of nonpayment of premiums, fraud, or as provided in subsection (e).

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

§ 15. Disclosure requirements.

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

(b) Any short-term, limited-duration health insurance coverage policy that is delivered or issued for delivery in the State shall display prominently in the policy, any application, sales, and marketing materials provided in connection with enrollment in such coverage, and the outline of coverage for such coverage, in at least 14-point, bold type, the following: "NOTICE: THE SHORT-TERM, LIMITED-DURATION INSURANCE BENEFITS UNDER THIS COVERAGE DO NOT MEET ALL FEDERAL REQUIREMENTS TO QUALIFY AS "MINIMUM ESSENTIAL COVERAGE" FOR HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT. THIS PLAN OF COVERAGE DOES NOT INCLUDE ALL ESSENTIAL HEALTH BENEFITS AS REQUIRED BY THE AFFORDABLE CARE ACT. PREEXISTING CONDITIONS ARE NOT COVERED UNDER THIS PLAN OF COVERAGE. BE SURE TO CHECK YOUR POLICY CAREFULLY TO MAKE SURE YOU UNDERSTAND WHAT THE POLICY DOES AND DOES NOT COVER. IF THIS COVERAGE EXPIRES OR YOU LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT UNTIL THE NEXT OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH INSURANCE COVERAGE. YOU MAY BE ABLE TO GET LONGER TERM INSURANCE THAT QUALIFIES AS "MINIMUM ESSENTIAL COVERAGE" FOR HEALTH INSURANCE UNDER THE AFFORDABLE CARE ACT NOW AND HELP TO PAY FOR IT AT WWW.HEALTHCARE.GOV."

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

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

§ 20. Filing and approval.

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

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

- (1) all paperwork required for individual health insurance coverage pursuant to 50 Ill. Adm. Code 916; and
 - (2) all sales and marketing materials provided in connection with enrollment in such coverage for informational purposes.
- (c) The Department shall adopt any rules necessary to carry out the provisions of this Act.