



Illinois Department of Financial and Professional Regulation

Division of Insurance

ROD R. BLAGOJEVICH
Governor

DEAN MARTINEZ
Secretary

MICHAEL T. McRAITH
Director
Division of Insurance

May 6, 2008

To: Company Presidents
All Companies Writing Medicare Supplement Policies

From: Michael T. McRaith, Director

Re: (CB #2008-02) Public Act 095-0436 - Medicare Supplement Under 65 Disabled

Rate Filings for Persons Under 65 Required by Public Act 95-0436

On April 2, 2008, I issued Company Bulletin 2008-02 addressing requirements for the filing of rates for Medicare supplement policies for persons under the age of 65 as required by Public Act 95-0436 (SB 873). This bulletin was mailed to all presidents of companies writing Medicare supplement insurance.

With the passage of Public Act 095-0436 (SB 0873), effective June 1, 2008, all companies writing Medicare supplement insurance in Illinois must guarantee the issuance of all Medicare supplement policies offered in Illinois to persons under the age of 65 who become eligible for Medicare by reason of disability. Further, for policies issued to persons under 65, companies may not charge rates for Medicare supplement insurance that exceed the issuer's highest rate on the current rate schedule filed with the Division of Insurance for persons 65 and older.

As stipulated by Company Bulletin 2008-02, in order to comply with the rating requirements contained in the Act, companies must verify that the rates applied to persons under age 65 are no higher than the highest company rate currently on file at the Division by filing such rates with the Division of Insurance by June 1, 2008.

To date, the Division has received only a few of these filings.

Please be advised that the Division takes this matter very seriously. Companies found to be out of compliance 1) by having failed to make such rate filings, 2) through consumer complaints, or 3) through market conduct examinations, can expect the Division to impose compliance penalties for violations including, but not

limited to retrospective enrollment of denied individuals and fines. This applies to rate violations as well as to all other violations of the new requirement.

If your company has already complied with this required rate filing, please disregard this letter.

Your immediate compliance with Company Bulletin 2008-02 is anticipated and appreciated. Should you have any questions please contact Gerald Lucht at (217) 785-0260 or at gerald.lucht@illinois.gov.

Sincerely,

A handwritten signature in black ink that reads "Michael T. McRaith". The signature is written in a cursive style with some capital letters.

Michael T. McRaith,
Director