

July 11,  
2000

To: Company Presidents  
All Companies Writing Health Insurance Business (Indemnity and HMO)

From: Nathaniel S. Shapo, Director

Re: **(CB 2000-08) Bulletin regarding Applicability of 215 ILCS 93 Small Employer Health Insurance Rating Act**

Reply to: Lynn Shanklin, Life Actuarial Unit (217) 782-1796  
[lynn\\_shanklin@ins.state.il.us](mailto:lynn_shanklin@ins.state.il.us)  
Gerald Lucht, Life Actuarial Unit (217) 785-0260  
[gerald\\_lucht@ins.state.il.us](mailto:gerald_lucht@ins.state.il.us)

For those carriers writing small employer group health contracts to Illinois employers, the Department will now administer the above listed Act to be applicable to all Illinois employers, regardless of the situs of the group master contract.

We understand that this may be the first notification some carriers have of the above recent interpretation, and as a result, there will be policies issued after July 1, 2000 that do not comply with the Act. For examination purposes where the situs of the group master contract is not Illinois, the Department will consider any policies issued on or after October 1, 2000 to be violations of the Act if their initial rates are not in compliance with the Act.

For policies issued or renewed from July 2, 2000 through September 30, 2000 where the situs of the master contract is not Illinois and where the rates are not in compliance, those rates shall be adjusted using the transition provisions of Section 25 (a) (5). Because every small employer carrier with out-of-state master contracts may face this problem, this office will not issue any Suspension of Rate Requirements under Section 35 solely as a result of this situation.

Please have the attached survey completed within 30 days of the date of this bulletin and submitted to the address indicated on the survey sheet.

This Bulletin, and any future communications regarding 215 ILCS 93 Small Employer Health Insurance Rating Act which are deemed relevant to the industry will be posted on the Department's web site, <http://insurance.illinois.gov/company/lifeactuarial.asp>.

The Department will mail notice of any future additions to the data contained in the web site to plan personnel or independent actuaries concerned with 215 ILCS 93 compliance, who send a request to be added to the mailing list. The request should be submitted to Lynn Shanklin at the following address [lynn\\_shanklin@ins.state.il.us](mailto:lynn_shanklin@ins.state.il.us). The request should contain the full name and E-mail address for the person/entity wishing to be added to the mailing list.

Complete and return this survey to :

Greg Richardson  
Illinois Department of Insurance  
Springfield, IL 62767-0001  
[greg\\_richardson@ins.state.il.us](mailto:greg_richardson@ins.state.il.us)

Phone inquiries should be directed to Gerald Lucht at 217-785-0260 or Greg Richardson at 217-524-5430

Please answer the following questions and return the survey to the address given above.

1. Does your company currently sell any small employer group health business to Illinois employers? \_\_\_\_\_

2. How many groups are inforce for Illinois employers?

a. # of true group - small group contracts \_\_\_\_\_

b. # of trust policies which include any Illinois Employers \_\_\_\_\_

c. # of Illinois employers covered in the trust policies listed above. \_\_\_\_\_

3. If your answer to number one was yes, are you planning to withdraw from the small employer group health market in the foreseeable future? If so, when?

\_\_\_\_\_

4. If you answer to number one was no, are you planning to enter the small employer group market in the foreseeable future? If so, when?

\_\_\_\_\_

Company name(s) \_\_\_\_\_

Contact Person \_\_\_\_\_

NAIC Company Code number(s) \_\_\_\_\_

Phone number of Contact Person \_\_\_\_\_

**Related Topics:**

[The Small Employer Health Insurance Rating Act](#)