
ILLINOIS DEPARTMENT OF INSURANCE

CURRENT AND RECENTLY ADOPTED RULEMAKINGS

JULY 31, 2020

The following are summaries of administrative rules recently filed by IDOI; they are at various stages in the rulemaking process. The rules listed here have been or soon will be published by the Secretary of State in the Illinois Register. Links are provided to the issues of the Illinois Register in which these rules have been published. In addition, IDOI's adopted rules are available online (after publication in the Illinois Register) at the Illinois General Assembly's Joint Committee on Administrative Rules (JCAR) web page:

<http://ilga.gov/commission/jcar/admincode/050/050parts.html>

The proposed rules have no legal effect until after they have been through the first and second notice periods and are adopted by IDOI and filed with the Secretary of State's Office. The public may submit comments to IDOI during the 45-day first notice period that commences with a rule's initial publication in the Register. The adopted rules may differ from those originally published. JCAR's website contains additional information on the rulemaking process:

<http://ilga.gov/commission/jcar/default.htm>

DISCLAIMER: The Illinois Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings; however, the Illinois Department of Insurance neither warrants nor represents the accuracy or timeliness of the information contained in the Register, or on the IDOI website. The information and links provided on this site are intended solely for the convenience of interested persons; you are urged to consult the official documents or contact legal counsel of your choice. This site should not be cited as an official or authoritative source. Amendments, court decisions and other proceedings may affect the text, interpretation, validity and constitutionality of the laws and rules.

FIRST NOTICE:

50 Ill. Adm. Code 916, Required Procedure for Filing and Securing Approval of Policy Forms:

Amends Section 916.40 to fix significant regulatory blindspots in the current implementation of the policy form filing process required by the Illinois Insurance Code and associated statutes. A lack of specificity about the current process allows some companies to file their policy forms in a way that hinders the Department from performing thorough reviews of their terms and conditions to verify compliance with Illinois mandates for parity in mental health/substance use disorder coverage, cancer drug parity, and abortion benefits with maternity care benefits, as well as various requirements for life

insurance. The amendments to this rule will require companies to submit complete policy forms for all life and health products by prohibiting matrix pages, insert pages, or modular filings. That way, the Department will be able to see each policy form the same way that the policyholder is intended to see it. The rule will also limit variable language to identifying characteristics only: policy name, member name, policy number, other identifiable information, etc. Additionally, the rule will clarify form filing consistency and submission requirements in the System for Electronic Rate and Form Filings (SERFF).

Date Published: [April 24, 2020](#)

Illinois Register Citation: 44 Ill. Reg. 6211

Comment Period Ended: June 8, 2020

For information, please contact:

Robert Planthold
Assistant General Counsel
Illinois Department of Insurance
122 S. Michigan Ave, 19th Fl
Chicago IL 60603

or

Susan Anders
Rules Coordinator
Illinois Department of Insurance
320 W. Washington St.
Springfield IL 62767

312/814-5445

217/558-0957

50 Ill. Adm. Code 2035, Medical Necessity Criteria for Serious Mental Illnesses for Individuals Under the Age of 26: This rulemaking is being initiated as the outcome of a Medical Necessity Working Group statutorily mandated by PA 101-0461. The proposed rule provides the medical necessity criteria for serious mental illnesses for individuals under the age of 26 that are to be used for utilization review under any individual or group accident and health insurance coverage, HMO health care plans, and self-insured health benefit plans offered to the employees of the State, counties, municipalities, and school districts. It includes medical necessity criteria for several interdisciplinary, team-based treatment models: Coordinated Specialty Care (CSC) for First Episode Psychosis Treatment; Community Support Team (CST) Treatment; and Assertive Community Treatment (ACT). Each of these treatment models includes criteria for service initiation, continuing service, exclusion, and discharge / service termination (where applicable). The rules do not apply to excepted benefit policies.

Date Published: [July 10, 2020](#)

Illinois Register Citation: 44 Ill. Reg. 11378

Comment Period Ends: August 24, 2020

For information, please contact:

Robert Planthold
Assistant General Counsel
Illinois Department of Insurance
122 S. Michigan Ave, 19th Fl
Chicago IL 60603

or

Susan Anders
Rules Coordinator
Illinois Department of Insurance
320 W. Washington St.
Springfield IL 62767

312/814-5445

217/558-0957

50 Ill. Adm. Code 4451, Tie Breaking when Conducting and Administrating a Board of Trustee Election: The proposed rule is mandated by the Pension Code [40 ILCS 5/22B-116(c) and 40 ILCS 5/22C-116(c)] to develop a tie breaking procedure by the Department of Insurance in the event of a tie vote during the trustee elections for Board of Trustees of the Police Officers' Pension Investment Fund (Article 22 B) and the Firefighters' Pension Investment Fund (Article 22C). However, to safeguard over the funds, which total more than 14 billion dollars, the Department also seeks to confirm the identity of the prospective trustee.

Date Published: [July 10, 2020](#)

Illinois Register Citation: 44 Ill. Reg. 11394

Comment Period Ends: August 24, 2020

For information, please contact:

Mark Thielen
Assistant General Counsel
Department of Insurance
320 West Washington, 4th Floor
Springfield, Illinois 62767-0001

or

Susan Anders
Rules Coordinator
Department of Insurance
320 West Washington, 4th Floor
Springfield, Illinois 62767-0001

(217) 558-4542

(217) 558-0957

SECOND NOTICE:

50 Ill. Adm. Code 2001, Construction and Filing of Accident and Health Insurance Policy Forms:

The Department would like to clarify the use of corporate names in consumer facing documents, marketing materials, and webpages. Use of multiple names and branding confuses consumers regarding which entity bears the risk associated with their health plan and leads to inadvertent use of out-of-network providers, failure to obtain appropriate referrals, and delay in medical necessity determinations when providers send information to the incorrect entity. The proposed amendment will assist consumers in providing better transparency regarding which entity bears the risk of their insurance or HMO plan, allowing them to ensure they are using appropriate physicians and facilities in order to maximize their benefits.

Health insurers and HMOs are not allowed by our corporate regulatory division to use DBAs (Doing Business As). The Department would also like to maintain requirements across product lines for name usage and maintain continuity between advertising and form filing requirements regarding company names (for reference see 50 Ill. Adm Code 753.20(a) and 50 Ill. Adm Code 2002.140(a))

Date Published: [April 24, 2020](#)

Illinois Register Citation: 44 Ill. Reg. 6218

JCAR Meeting: August 11, 2020

For information, please contact:

Robert Planthold
Assistant General Counsel
Illinois Department of Insurance

or

Susan Anders
Rules Coordinator
Illinois Department of Insurance

122 S. Michigan Ave, 19th Fl
Chicago IL 60603

320 W. Washington St.
Springfield IL 62767

312/814-5445

217/558-0957

50 Ill. Adm. Code 2040, Temporary Health Coverage Requirements During and Epidemic or Public Health Emergency (Emergency and proposed permanent rule): This Part is intended to help protect insured individuals' access during an epidemic or public health emergency to timely, affordable health care services by requiring temporary accommodations or exceptions to the terms of the health benefits arrangement that insures them or their employers. The COVID-19 epidemic is causing significant economic impact, including loss of income, wages, and working hours, for Illinois residents and employers. These losses will temporarily reduce either their ability to pay for coverage or to qualify for their employment-based coverage under the terms of their health benefits arrangement. A widespread loss of coverage combined with a loss in income is likely to undermine public health officials' efforts to contain the illness or health condition causing the public health emergency because affected individuals may delay seeking testing or treatment. Additionally, it is likely to place a financial strain on health care providers if increasing numbers of uninsured individuals use health care services, whether related or not to the illness or health condition causing the public health emergency. The outbreak is also likely to place a strain on the ability of health care providers to deliver services quickly and efficiently to the increased number of patients who need them, particularly if those services are subject to utilization review. Such an epidemic or emergency could also cause shortages or disruptions to prescription drug supplies. This Part is intended to prevent or mitigate the impact of the above problems.

First, the rules will require health insurance issuers to extend premium payment deadlines by 60 days, and will prohibit cancellations based on nonpayment of premium for 60 days after the rules take effect. For binder payments to secure new coverage, payment deadlines will be extended by 30 days.

The rules will also prohibit health insurance issuers from interfering with employers that want to keep their employees on their existing health coverage despite a reduction in hours or temporary lay-off.

The rules will also ensure that, as long as at least one employee remains actively employed, a health insurance issuer shall not prevent an employee whose coverage was terminated from electing COBRA or state continuation coverage.

The rules will also provide an accommodation for employees whose employment-based coverage has been terminated since the disaster proclamations took effect so that, in any special enrollment period for which they otherwise qualify, their new coverage can retroactively take effect immediately after their prior coverage terminated.

The rules will also require health insurance issuers to cover off-formulary drug alternatives if there is a shortage in a formulary drug, and such coverage shall not impose additional prior authorization or step-therapy requirements, nor impose cost-sharing greater than would have applied to the formulary drug. Issuers will also be required to cover at least a 90-day supply refill for maintenance medications other than those susceptible to misuse.

The rules will exempt short-term, limited duration health insurance coverage, as well as excepted benefit policies, except where specified for dental benefits. The rules will not apply to group health insurance coverage unless it is provided by a health maintenance organization, except where specified in Section 2040.80.

Date Published: [May 1, 2020](#)

Illinois Register Citation: 44 Ill. Reg. 7766 (Emergency Rule effective April 20, 2020); 44 Ill. Reg. 6693 (Proposed Rule)

JCAR Meeting: August 11, 2020

For information, please contact:

Robert Planthold
Assistant General Counsel
Illinois Department of Insurance
122 S. Michigan Ave, 19th Fl
Chicago IL 60603

or

Susan Anders
Rules Coordinator
Illinois Department of Insurance
320 W. Washington St.
Springfield IL 62767

312/814-5445

217/558-0957

RULEMAKINGS ADOPTED DURING 2020:

50 Ill. Adm. Code 630, Corporate Governance Annual Disclosure: The new rule will require corporate governance reporting for insurers and provides for the confidential treatment of this information. The NAIC's *Corporate Governance Annual Disclosure Model Act* (#305) and *Corporate Governance Annual Disclosure Model Regulation* (#306) will be accreditation standards effective 1/1/2020.

The rule will not impose additional corporate governance rules, standards or procedures on insurance companies, but requires a new annual filing to be submitted to the Department by each insurance company that describes the corporate governance structure, policies and practices in use at the company. Regulatory oversight of insurance companies has changed significantly in the past five years with more focus on how a company manages itself, and, in particular, how it identifies, assesses and mitigates risks. The filing will assist regulators in fulfilling their oversight responsibilities.

Effective Date: May 29, 2020

Date Published: [June 12, 2020](#)

Illinois Register Citation: 44 Ill. 10115

For information, please contact:

Susan Berry, Group Solvency Specialist
Department of Insurance
320 West Washington Street
Springfield, Illinois 62767-0001

(217) 782-1759

50 Ill. Adm. Code 1305, Prior Notification of Dividends or Distributions: P.A. 100-1118, effective November 27, 2018, added a new section to Article VIIC of the Illinois Insurance Code, Domestic Insurance Companies, namely, section 123C-26 [215 ILCS 5/123C-26] which mandates that captive insurance companies shall notify the Director when issuing dividends or distributions to policyholders [215 ILCS 5/123C-26.A] and which mandates that the Director approve that issuance and adopt rules to implement the approval process [215 ILCS 5/123C-26.B].

Effective Date: July 31, 2020
Date Published: To be determined
Illinois Register Citation: To be determined
For information, please contact:

Marcy Savage, Assistant Deputy Director, Corporate Regulation Section
Illinois Department of Insurance
320 W. Washington St.
Springfield, IL 62767

(217) 524-0016

50 Ill. Adm. Code 1551, Variable Contracts: Part 1551 has been amended to change references to the former National Association of Security Dealers (NASD) to refer instead to the entity's successor, the Financial Industry Regulatory Authority (FINRA), and its rules. A definition of 'Annuity 2000 Mortality Table' has been added to Section 1551.20 and the reference in Section 1551.60 has been revised to reflect that this is now the mortality table in use. Also, 50 Ill. Adm. Code 3117: Licensing and Suitability Requirements for the Solicitation of Variable Contracts, is simultaneously being repealed in its entirety, and several of its provisions have been moved to Section 1551.60.

Effective Date: March 2, 2020
Date published: [March 13, 2020](#)
Illinois Register Citation: 44 Ill. Reg. 3896
For information, please contact:

David Murphy, Assistant Deputy Director, Licensing/Education & Testing
Department of Insurance
320 West Washington Street
Springfield, Illinois 62767-0001

217/782-5415

50 Ill. Adm. Code 2004, Accident and Health Reserves: Section 2004.10(b)(E) incorporated by reference a 2016 edition of the "Valuation Manual" published by the National Association of Insurance Commissioners. That publication has been superseded by the January 1, 2019 edition. The incorporation by reference has been revised to reflect the current publication.

Effective Date: January 21, 2020
Date Published: [February 7, 2020](#)
Illinois Register Citation: 44 Ill. Reg. 2572
For information, please contact:

Eric Anderson, Chief Health Actuary
Department of Insurance
320 West Washington Street, 4th Fl.
Springfield, Illinois 62767-0001

(217) 782-6284

50 Ill. Adm. Code 2500, Fees, Charges and Taxes (previously titled General Provisions): The amendments remove language that unnecessarily repeats statutory requirements and consolidates the remaining necessary text from Parts 2505-2525, which are being repealed, into this Part. The amendments also revise and update definitions and outdated references.

Effective Date: February 24, 2020

Date Published: [March 6, 2020](#)

Illinois Register Citation: 44 Ill. Reg. 3419

For information, please contact:

Doug Hollis
Insurance Tax Administration
Department of Insurance
320 West Washington Street
Springfield IL 62767-0001

217/782-0055

50 Ill. Adm. Code 2505, Fees and Charges (44 Ill. Reg. 3445)

50 Ill. Adm. Code 2510, Annual Privilege Tax (44 Ill. Reg. 3447)

50 Ill. Adm. Code 2515, Annual Retaliatory Tax (44 Ill. Reg. 3449)

50 Ill. Adm. Code 2520, Annual State Fire Marshal Tax (44 Ill. Reg. 3451)

50 Ill. Adm. Code 2525, Overpayments, Refunds, Amendments and Penalties (44 Ill. Reg. 3453)

These five Parts have been repealed because the majority of the text unnecessarily repeated statutory requirements and some provisions inaccurately describe current Department procedures. The provisions of these Parts that are necessary have been moved into Part 2500.

Effective Date: February 24, 2020

Date Published: [March 6, 2020](#)

Illinois Register Citation: See above

For information, please contact:

Doug Hollis
Insurance Tax Administration
Department of Insurance
320 West Washington Street
Springfield IL 62767-0001
217/782-0055

50 Ill. Adm. Code 2603, Unfair Discrimination Based on Sex, Sexual Orientation, Gender Identity or Marital Status: In June 2019, the Centers for Medicare and Medicaid Services issued a notice of proposed rulemaking to amend federal regulations so as to remove certain protections against gender identity discrimination that previously had been promulgated under Section 1557 of the Patient Protection and Affordable Care Act. *See* "Nondiscrimination in Health and Health Education Programs or

Activities", 84 Fed. Reg. 27846 (proposed Jun. 14, 2019). To ensure that Illinois consumers remain protected against gender identity discrimination relating to their health insurance coverage, the Department has reviewed its applicable regulation on unfair discrimination at 50 Ill. Adm. Code 2603. The following amendments are primarily intended to fill the gaps in those regulatory protections. First, whereas Section 2603.35 currently only applies to group health insurance coverage, these amendments will extend the rule to apply to individual policies, as well. Second, the protections in Section 2603.40 against discrimination in setting premium rates will be amended to apply to gender identity.

Additionally, these amendments delete references in Section 2603.20 to 215 ILCS 5/283 and 296(6) regarding fraternal benefits societies, as those sections of the Illinois Insurance Code have been repealed. In their place, the Department will reference 215 ILCS 5/314.1, which contains a currently applicable preservation of rights for fraternal benefit societies.

Effective Date: July 31, 2020
Date Published: To be determined
Illinois Register Citation: To be determined
For information, please contact:

Robert Planthold
Assistant General Counsel
Illinois Department of Insurance
122 S. Michigan Ave, 19th Fl
Chicago IL 60603

312/814-5445

50 Ill. Adm. Code 3117, Licensing and Suitability Requirements for the Solicitation of Variable Contracts: Most of the Sections of Part 3117 have already been repealed, and the remaining three Sections are now being incorporated into 50 Ill. Adm. Code 1551: Variable Contracts. Accordingly, Part 3117 is no longer necessary and has been repealed in its entirety.

Effective Date: March 2, 2020
Date published: [March 13, 2020](#)
Illinois Register Citation: 44 Ill. Reg. 3908
For information, please contact:

David Murphy, Assistant Deputy Director, Licensing/Education & Testing
Department of Insurance
320 West Washington Street
Springfield, Illinois 62767-0001

217/782-5415

50 Ill. Adm. Code 3119, Pre-Licensing and Continuing Education: 3119.60(c)(2) specifies that no course can be approved for less than 1 hour of CE credit, but currently there is no formal requirement regarding the maximum course approval for hours. The Part is being amended to specify that 12 hours of CE is the maximum number of hours to be approved for a course filing.

Effective Date: March 2, 2020
Date published: [March 13, 2020](#)
Illinois Register Citation: 44 Ill. Reg. 3910
For information, please contact:

David Murphy, Assistant Deputy Director, Licensing/Education & Testing
Department of Insurance
320 West Washington Street
Springfield, Illinois 62767-0001

217/782-5415

50 Ill. Adm. Code 3145, Pharmacy Benefit Managers: HB0465 created a new Section in the Illinois Insurance Code, 215 ILCS 5/513b1 et seq. Within the statute it indicates that the Director will establish rules. The Department needed to establish the fee, application and definitions within rule to support statute.

Effective Date: May 29, 2020
Date Published: [June 12, 2020](#)
Illinois Register Citation: 44 Ill. Reg. 10123
For information, please contact:

David Murphy, Assistant Deputy Director, Licensing/Education & Testing
Department of Insurance
320 West Washington Street
Springfield, Illinois 62767-0001

217/782-5415

50 Ill. Adm. Code 3150, Third Party Prescription Administrators: The majority of licenses issued by the Department of Insurance renew on an annual anniversary date. The Department is changing the third party prescription administrator renewal date from a fixed date of April 1 to an annual renewal of one year of the date of issuance to be consistent with other license types.

Effective Date: May 29, 2020
Date Published: [June 12, 2020](#)
Illinois Register Citation: 44 Ill. Reg. 10123
For information, please contact:

David Murphy, Assistant Deputy Director, Licensing/Education & Testing
Department of Insurance
320 West Washington Street
Springfield, Illinois 62767-0001

217/782-5415