



# Illinois Department of Insurance

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Governor

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Director

TO: All Insurance Companies, Health Maintenance Organizations, Limited Health Service Organizations, Dental Service Plan Corporations, and Accredited Reinsurers

FROM: Dana Popish Severinghaus, Director *dps*

DATE: March 14, 2024

RE: Company Bulletin 2024-09 Insurance Supplier Diversity Reports

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The purpose of this bulletin is to provide guidance to risk-bearing entities about submitting the annual insurance supplier diversity reports required beginning April 1, 2024 pursuant to 215 ILCS 5/155.49.

## I. Which Entities Must File?

The statute requires annual insurance supplier diversity reports from “[e]very company authorized to do business in this State or accredited by this State with assets of at least \$50,000,000...” 215 ILCS 5/155.49. This statute applies to:

- insurance companies;
- health maintenance organizations;
- limited health service organizations;
- dental service plan corporations; and
- accredited reinsurers.

But, it does not apply to:

- qualified group workers compensation pools;
- domestic captive insurance companies;
- fraternal benefit societies; or
- any risk-bearing entity that, in this State, only transacts business to offer Medicare Part C or D plans.

The statute applies regardless of where the authorized or accredited entity is domiciled. The requirement to file a report does not depend on the lines of business in which the risk-bearing entity transacts, unless in Illinois the entity transacts no business other than Medicare Part C or D plans.

For determining whether a risk-bearing entity meets the \$50 million asset threshold, use the Annual Statement’s total net admitted assets for the current year as reflected on the Assets page filed with the

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Director for the year ending December 31st immediately preceding. For example, on the report to be filed by April 1, 2024, use the Annual Statement for the year ending December 31, 2023.

If more than one risk-bearing entity within the same insurance holding company system is independently subject to the statute, the risk-bearing entities may elect either to file separate reports or to file a single report on a group basis. Multiple entities within the same insurance holding company system should not aggregate their assets for the purpose of determining whether they meet the \$50 million threshold. However, if one or more affiliated risk-bearing entities is independently subject to the filing requirement and they happen to pool assets or expenses in a joint procurement program, the report should reflect that pooling in the appropriate form field(s).

## II. How to File

Risk-bearing entities and reporting groups must use the fillable PDF template published on the Department's Insurance Supplier Diversity webpage at <https://idoi.illinois.gov/companies/industry-supplier-diversity>. For the April 1, 2024 filing, the template also will be published next to this bulletin in the Company Bulletin area of the website.

Risk-bearing entities and reporting groups must file their reports through SERFF ([www.serff.com](http://www.serff.com)) and **mark the reports available for public access** in accordance with 215 ILCS 5/155.49(b). The Department has created specific sub-TOIs to be used for submitting these reports:

- For risk-bearing entities with a certificate of authority or reinsurance accreditation for property or casualty insurance, use the SERFF TOI and sub-TOI that will be designated on the Department's Insurance Supplier Diversity webpage linked above once NAIC staff have completed their creation (expected imminently).
- For risk-bearing entities with a certificate of authority or reinsurance accreditation for life, annuity, accident and health, health maintenance organization, limited health service organization, dental service plan, or similar lines of business, use **TOI H21 Health – Other; sub-TOI H21.007 Health - Supplier Diversity Report**. This TOI/sub-TOI combination should be used for these reports regardless of whether the risk-bearing entity actually transacts in any health line of business.
- If a risk-bearing entity or reporting group transacts both P&C and Life or Health-related lines of business, the filing may be submitted under either of the two TOI/sub-TOI combinations above.

Please note that information in the reports should not be broken down by line of business. Information is only required to be reported at the company or group-level. SERFF is being used because it is a widely familiar platform with a public access mechanism, but unfortunately the platform cannot be configured without TOI/sub-TOI.

## III. Formatting Guidance

Form fields will expand to accommodate as much text as needed for entities and groups to respond to the prompts. For longer responses, it may be easier to draft in a different document and then copy/paste the response into the field on the PDF template. Additional guidance follows about certain questions.

### Question 3

Please separate all certifications with commas. If an explanation is needed about any certification, place the explanation in your response to question 6.

#### Question 4

For the portion of Question 4 with a breakdown of internal voluntary goals, please use the following format, separating each string with a carriage return:

[Commodity Code / Description of Procurement Category], [Type of Inclusion Supplier], [# / \$ / %]

For the final element shown above as [# , \$ , %], provide only the type of quantity that your entity or group currently uses in voluntarily setting the internal goal. For example, if you have a goal in a procurement category to spend \$500,000 on inclusion suppliers or on a type of inclusion supplier, and if you do not express it as a percentage of your overall procurement budget, just write the dollar amount.

If the entity or group does not currently break down its goals by specific types of inclusion suppliers, do not include the [Type of Inclusion Supplier] in the string.

Any explanation of the strings should be added at the end of the box after making a carriage return after the last string.

If additional explanation is needed about unique circumstances, use the response field for question 6.

#### Question 5

For the portion of question 5 about the results of the supplier diversity program or other procurement program, please use the following format in each field, separating each string with a carriage return:

[Commodity Code / Description of Procurement Category], [Type of Inclusion Supplier], [# / \$]

If the entity or group has a supplier diversity program, in the section preceded by “For each type of certified inclusion supplier the Entity / Group accepts or recognizes,” the entity or group should provide a breakdown of results by type of inclusion supplier even if internal goals are not currently broken down in that manner.

For the final prompt asking for the percentage of total procurement spend overall that is composed of total spend on inclusion suppliers overall, this figure should not be broken down by type of inclusion supplier. The answers are total percentages that are calculated by:

1. Summing all the dollar amounts reported in the “For each procurement category” section under the same column (IL or National) of sub-item ii.
2. Summing all the dollar amounts reported in the “For each procurement category” section under the same column of sub-item i.
3. Dividing the sum for each column in Step 2 by the sum in the same column of Step 1.
4. Converting the decimal in Step 3 to percentage notation and writing in the IL or National box, as applicable.

#### Question 6

Please use this field to explain any unique circumstances, irregularities, or qualifiers to any answers supplied elsewhere in the report.

### **IV. Relationship to Department Rules**

Entities and groups must follow the form’s instructions identifying the information that must be reported. The form refers to the Department’s rule at 50 Ill. Adm. Code 910 for further guidance.

Previously, Part 910 hosted a rule on Correlated Sales of Life Insurance and Mutual Funds, which was repealed effective December 21, 2018. That rule remains repealed and is entirely unrelated to the supplier diversity reports. Subsequently, on December 26, 2023, the Department introduced a proposed rulemaking to clarify the details of the supplier diversity reporting requirements, and Part 910 has been reassigned to these completely new rules.

As of the date of publication of this company bulletin, the proposed rules remain pending approval by the Joint Committee on Administrative Rules (“JCAR”) and will not be in force until at least the second half of April 2024, after the first reporting deadline has already passed. However, risk-bearing entities and reporting groups may use the proposed rules to assist them in understanding the questions on the report template for the April 1, 2024 deadline.

For your convenience, the Department has attached to this bulletin a copy of the latest version of the proposed rule text, which has been submitted to JCAR for Second Notice review. This text incorporates changes that the Department has made in response to public comments received from insurance industry and supplier stakeholders about the initial text published in the First Notice comment period. Once the rule text has been finalized and formally adopted, it will govern all reports required to be submitted on or after that date.

If a risk-bearing entity or reporting group has a question for the Department that is not addressed by the rule text or this bulletin, please contact the Department as directed at the end of this bulletin.

#### **V. Special Consideration for 2024**

The fact that Department’s proposed rules remain pending does not waive the initial reporting deadline of April 1, 2024. That deadline is fixed by statute.

Still, because of the short timeframe to meet the first April 1 deadline, the Department understands that feasibility constraints may necessitate that some reported information be incomplete, imprecise, estimated, or rudimentary due to factors not fully in the risk-bearing entity or reporting group’s control. If that is the case, please use the final question 6 on page 2 of the template to explain which reported information is incomplete, imprecise, estimated, or rudimentary and the reasons why.

Questions about this bulletin may be directed to [DOI.InfoDesk@illinois.gov](mailto:DOI.InfoDesk@illinois.gov).