



Illinois Department of Insurance

JB PRITZKER
Governor

ROBERT H. MURIEL
Director

MEMORANDUM

TO: All Accident and Health Companies
FROM: Robert H. Muriel, Director of Insurance
DATE: September 27, 2019
RE: Company Bulletin 2019-07 Short-Term, Limited-Duration Health Insurance Coverage Act

Muriel

The Short-Term, Limited-Duration Health Insurance Coverage Act was signed into law, effective November 27, 2018 (215 ILCS 190/1 et seq.). The law clarifies requirements in Illinois for short-term, limited-duration policies issued or delivered on or after November 27, 2018.

Short-term, limited-duration policies must comply with the following provisions:

- All policies sold or delivered to Illinois consumers must be approved by the Department, regardless of the state of issue.
- Short-term, limited-duration policies may be delivered on an individual or group basis.
- Policies are limited to a duration less than 181 days.
- Policies may not be renewed for 365 days after termination with a single issuer.
- Upon expiration of one short-term, limited-duration policy, an insurer may not issue another, different short-term, limited-duration policy to the same consumer for a period of 60 days from the expiration date of the original policy.
- Rescission is prohibited, except for nonpayment of premiums or fraud, though consumers may opt to cancel their coverage.
- All policies must be filed with the Department for approval pursuant to the guidelines for individual plans found in 50 IL Adm Code 916.
- All sales and marketing materials must be submitted to the Department for informational purposes.
- Companies may choose not to cover pre-existing conditions in short-term, limited-duration policies.
- Statutorily-required language, in addition to the language required by 45 CFR 144.103, must be prominently displayed in the contract and any application materials provided in connection with enrollment.
- Short-term, limited-duration policies must provide consumers with appeals and external review rights.

Additional filing guidelines can be found on the Short-Term, Limited-Duration checklist on the Department's website.

Policies issued prior to the effective date of this law that exceed the 180-day duration limitation are still in effect for the entire term of the policy, as issued. However, renewals of such policies are prohibited under Illinois law.

Questions regarding this bulletin should be directed to DOI.InfoDesk@illinois.gov.

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