



# Illinois Department of Insurance

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**JB PRITZKER**  
Governor

**DANA POPISH SEVERINGHAUS**  
Acting Director

September 1, 2021

Dear Interested Parties:

Thank you for taking time to submit your public comments on the Department's amendments to 50 Ill. Adm. Code 2001, published on November 6, 2020 in the Illinois Register. The Department is responding to all the written public comments we received relative to our First Notice proposal.

**Comment:**

"Insurers, including insurers selling excepted benefit policies, are already required under 50 Ill Adm Code 753.20(a) to disclose the name of the insurer or insurers issuing the policy at the head of the policy, along with the location of the home office of the insurers or insurers issuing the policy. Furthermore, this disclosure is made not only on the policy, but the application, as well as the certificate issued. Similarly, 50 Ill Adm Code 2002.140(a) governs transparency and disclosure requirements for insurers selling products inside and outside of the health insurance exchange.

We understand the Department's intent to bring regulatory requirements in line with current practice since the Department required health insurers filing ACA-compliant policies to apply the corporate name "footer" disclosure as set forth in Section 2001.13(b) in 2020 filings.

Excepted benefit policies, however, are voluntary policies that are not comprehensive medical insurance coverage, nor do these policies qualify as minimum essential coverage. As noted previously, they are still held to the same head of policy and advertisement disclosure requirements enumerated in current law.

The proposed amendment would impose an additional disclosure requirement that is not currently required by another state. Therefore, insurers selling similar policies in multiple states will have to adapt their systems specifically for the additional disclosure requirements set forth in Section 2001.13 that are unique to Illinois.

The Council is uncertain as to the Department's rationale for extending the corporate name requirements under Section 2001.13 to these excepted benefit policies, which could substantially add to the length of the policy itself with uncertain value added for the consumer. As noted by some of our health insurance members who have had to comply with this requirement, the footer addition creates an administrative burden that does add to the length of a policy that is sometimes already well over a hundred pages long.

We fully support transparency and disclosure, but we also would like the opportunity to better understand the regulatory gap the Department believes exists and whether this is ultimately valuable to the consumer."

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**Department response:**

As a practical matter, policy form filings already must include the form number in the left-hand side of the footer. *See* 50 Ill. Adm. Code 916.40(b)(2)(A). Issuers are allowed to place their registered corporate name on the same line as the form number, which should avoid substantially lengthening the policy.

The Department also respectfully points out that 50 Ill. Adm. Code 753.20(a) does not apply to the excepted benefit policies that the proposed amendments to Part 2001 will affect. Although Part 753 does not have a separate section devoted to identifying its applicability, the applicability of Part 753 is indicated in the previous section of that rule as follows: “All companies writing any of the kinds of business enumerated in Class 2, except clauses (a) (accident and health), (d) (workers’ compensation) and (g) (fidelity and surety), of Section 4 of the Illinois Insurance Code (Code) [215 ILCS 5], and any of the kinds of business enumerated in Class 3 of Section 4 of the Code, except those covered under 50 Ill. Adm. Code 2302...” 50 Ill. Adm. Code 753.10(a). Hence, Part 753 does not apply to accident and health insurance.

If enacted, the Department’s proposed amendments at Part 2001 will affect “individual and group accident and health policies and certificates, including coverage provided by a Health Maintenance Organization...” To the extent that Part 2001 will affect excepted benefits, it only is intended to apply to those considered “accident and health insurance,” which is exempt from Part 753 as described above. Some types of excepted benefits, such as liability insurance, are not accident and health insurance under the Illinois Insurance Code but rather a form of property and casualty insurance, and therefore those will continue to fall outside the scope of Part 2001.

Even granting the applicability of 50 Ill. Adm. Code 2002.140 to advertisements of excepted benefit policies, the policy form is the primary source document that an insured should consult when determining what benefits their policy actually covers, the terms and conditions of coverage, how to claim benefits, and who is responsible to answer complaints. The use of multiple names and branding on the policy can confuse consumers regarding which entity bears the responsibility for their coverage. Whether the coverage is voluntary or mandatory under the ACA, the insured is entitled to the same level of transparency, which the proposed amendment will improve. The Department also appreciates the complexities that issuers face in operating in multiple jurisdictions, but the Department’s responsibility is to the Illinois market.

Again, thank you for taking the time to express your concerns. The Department is submitting Part 2001 to JCAR for Second Notice. If you have questions regarding either the process or status of this regulation, please contact Susan Anders at (217) 558-0957.

Sincerely,



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Deputy Director of Health Products

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