Disclosure Statement for the State of Illinois

State law requires that insurers disclose the following information regarding rating practices, preexisting condition provisions, renewal of coverage for small group health insurance and benefits and premium availability.

**Rating Practices** - The rate charged to a particular employer group will depend upon issue date, plan of benefits chosen, location, case size and industry. It will also depend upon the age, sex, family composition and health status of the insured employees and dependents.

At renewal, rates will reflect the current rate structure and the demographics of the group. While the factor applicable to the health status may be reset at renewal, any increases will be subject to the limitations of Illinois State Law.

**Coverage Renewability** - The group health insurance is renewable at the employer’s option except for:

- Non payment of premium.
- Fraud or intentional misrepresentation of material fact by the policyholder.
- Non compliance with material plan provision relating to contribution and/or participation limits.
- The small employer carrier elects to discontinue the plan after giving the employer and insured 90 days notice.
- The small employer carrier elects to non-renew all of its health benefit plans delivered or issued for delivery to small employers after giving the employer and Insured 180 days notice.

**Pre-existing conditions** - A health benefit plan shall not deny, exclude or limit benefits for a covered individual for losses incurred more than 12 consecutive months after the effective date of coverage due to a pre-existing condition. The plan cannot define a pre-existing condition more restrictive than:

Preexisting Condition means any physical or mental condition, sickness, impairment, or ailment, regardless of cause for which medical advise, diagnosis, care, or treatment was received within the six month period ending on the effective date of coverage under a group health plan, the date of enrollment under a group health insurance plan, or the first date of a waiting period for a group health insurance plan, whichever is earliest. In no case shall pregnancy or genetic information in the absence of a diagnosis related to such information be considered a pre-existing condition.

If an individual was covered under a previous plan of Creditable Coverage, enrolls when first eligible and does not have a break in coverage of more than 63 days (excluding the waiting period), the individual may be entitled to a time credit towards the satisfaction of the 12 month pre-existing condition period set forth under the new plan equal to that portion of the 12 month pre-existing credit provision achieved under this plan.
Disclosure Statement for the State of Illinois

Plan of Creditable Coverage means prior health coverage under any one of the following:

1. Medicare or Medicaid.

2. An employer based accident and sickness insurance or health benefit arrangement.

3. An individual accident and sickness insurance policy, including coverage issued by a health maintenance organization, nonprofit hospital or nonprofit medical service corporation, health care corporation, or fraternal benefit society.

4. A spouse's benefits or coverage under Medicare or Medicaid or an employer based health insurance or health benefit arrangement.

5. A conversion policy.

6. A franchise policy issued on an individual basis to a member of a true association as defined by Illinois law.


8. A health plan provided through the Indian Health Service or a tribal organization program or both.


10. A health plan formed pursuant to 5 U.S.C. Chapter 89 (The Federal Employee Health Benefit Program).

11. A public health plan.