



Illinois Department of Insurance

BRUCE RAUNER
Governor

ANNE MELISSA DOWLING
Acting Director

TO: All Life, Accident & Health Companies, HMO's, Limited Health Service Organizations, & Voluntary Health Service Plans

FROM: Anne Melissa Dowling, Acting Director of Insurance **AMD**

DATE: October 9, 2015

RE: CB 2015-10 Definition of Small Employer

The Protecting Affordable Coverage for Employees ("PACE") Act was signed into law on October 8, 2015. The PACE Act maintains the definition of small group markets as employers with 1-50 employees. Without the passage of the PACE Act, the definition of the small group market would have increased to include employers with 1-100 employees effective January 1, 2016, causing significant disruption in the small business marketplace.

Illinois will maintain the definition of the small group market to employers with 1-50 employees. Illinois endorses the PACE Act because it retains state flexibility to set appropriate limits for the small group health insurance market and ensures stable small group markets that reflect the unique characteristics and dynamics of Illinois.

Insurance companies are encouraged to submit policy form revisions resulting from this statutory change as quickly as possible, with changes clearly highlighted using red-lining or a similar method. The Department will work to review and issue dispositions on the revised forms as quickly as possible. Due to the late timing of this legislation, premium rates for plans with a January 1, 2016, effective date have already been determined. Insurance companies, may, however, submit revisions to their small group rates on a quarterly basis for effective dates beginning April 1, 2016.

Any questions on this bulletin should be directed to: paulette.dove@illinois.gov