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NEWS

Illinois Department of Insurance

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State Announces Health Insurance CO-OP to Apply for Licensure to offer coverage as part of ACA

The member-based, nonprofit received a \$160 federal loan to provide individuals and small business with affordable, quality health plans

CHICAGO - December 24, 2012. The Illinois Department of Insurance (DOI) today announced that Land of Lincoln Health, Inc., a nonprofit Consumer Operated and Oriented Plan (CO-OP), has received \$160 million in federal loans and will now apply for licensure as an Illinois mutual insurer to offer individuals and small business owners health insurance. Upon receiving state license approval, Land of Lincoln Health will be able to offer health coverage through the Illinois benefits health exchange.

"We continue our efforts to create a health benefits exchange under the Affordable Care Act. This move to allow health coverage through a CO-OP marks another positive step to provide the people of Illinois more choices for quality healthcare," said Governor Pat Quinn.

Land of Lincoln Health, incorporated by Metropolitan Chicago Healthcare Council, is currently the first and only CO-OP in Illinois to receive approval by the U.S. Department of Health and Human Services (HHS). With an innovative, consumer-focused healthcare delivery model, Land of Lincoln Health is designed to provide Illinois communities with insurance options tailored to meet specific health and budgetary needs.

"Our Department is pleased to help Illinois residents and small business owners gain access to reliable high-quality, low-cost health insurance coverage through access to CO-OPs," said DOI Director Andrew Boron. "We are pleased that Land of Lincoln is working to make consumer protections within the healthcare insurance industry a priority."

CO-OPs are member-based and required to use any revenues, after expenses, towards improving the overall quality of healthcare coverage, including lowering insurance premiums and enhancing health benefits. Individuals and small businesses can purchase health insurance at affordable prices through CO-OPs -- both inside and outside of health care exchanges -- starting January 1, 2014.

The Patient Protection and Affordable Care Act (PPACA) allows for \$3.8 billion in federal funding loans to assist states in establishing CO-OPs with non-profit, member-based health insurance organizations in each state. Through its state-partnership exchange, Illinois is the 24th state to receive federal approval and funding. More

information on the federal loan is available at:

<http://www.healthcare.gov/news/factsheets/2012/02/coops02212012a.html>

About the Illinois Department of Insurance

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner.

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