

# HB5509



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5509

by Rep. Natalie A. Manley

### SYNOPSIS AS INTRODUCED:

215 ILCS 5/356z.12

Amends the Illinois Insurance Code. Provides that a group or individual policy of accident and health insurance or managed care plan that provides coverage for dependents may not terminate coverage for a dependent before a date not less than 90 days after the death of the insured.

LRB101 18898 BMS 68357 b

FISCAL NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Section 356z.12 as follows:

6 (215 ILCS 5/356z.12)

7 Sec. 356z.12. Dependent coverage.

8 (a) A group or individual policy of accident and health  
9 insurance or managed care plan that provides coverage for  
10 dependents and that is amended, delivered, issued, or renewed  
11 after the effective date of this amendatory Act of the 95th  
12 General Assembly shall not terminate coverage or deny the  
13 election of coverage for an unmarried dependent by reason of  
14 the dependent's age before the dependent's 26th birthday.

15 (a-5) A group or individual policy of accident and health  
16 insurance or managed care plan subject to subsection (a) may  
17 not terminate coverage for a dependent before a date not less  
18 than 90 days after the death of the insured.

19 (b) A policy or plan subject to this Section shall, upon  
20 amendment, delivery, issuance, or renewal, establish an  
21 initial enrollment period of not less than 90 days during which  
22 an insured may make a written election for coverage of an  
23 unmarried person as a dependent under this Section. After the

1 initial enrollment period, enrollment by a dependent pursuant  
2 to this Section shall be consistent with the enrollment terms  
3 of the plan or policy.

4 (c) A policy or plan subject to this Section shall allow  
5 for dependent coverage during the annual open enrollment date  
6 or the annual renewal date if the dependent, as of the date on  
7 which the insured elects dependent coverage under this  
8 subsection, has:

9 (1) a period of continuous creditable coverage of 90  
10 days or more; and

11 (2) not been without creditable coverage for more than  
12 63 days.

13 An insured may elect coverage for a dependent who does not meet  
14 the continuous creditable coverage requirements of this  
15 subsection (c) and that dependent shall not be denied coverage  
16 due to age.

17 For purposes of this subsection (c), "creditable coverage"  
18 shall have the meaning provided under subsection (C)(1) of  
19 Section 20 of the Illinois Health Insurance Portability and  
20 Accountability Act.

21 (d) Military personnel. A group or individual policy of  
22 accident and health insurance or managed care plan that  
23 provides coverage for dependents and that is amended,  
24 delivered, issued, or renewed after the effective date of this  
25 amendatory Act of the 95th General Assembly shall not terminate  
26 coverage or deny the election of coverage for an unmarried

1 dependent by reason of the dependent's age before the  
2 dependent's 30th birthday if the dependent (i) is an Illinois  
3 resident, (ii) served as a member of the active or reserve  
4 components of any of the branches of the Armed Forces of the  
5 United States, and (iii) has received a release or discharge  
6 other than a dishonorable discharge. To be eligible for  
7 coverage under this subsection (d), the eligible dependent  
8 shall submit to the insurer a form approved by the Illinois  
9 Department of Veterans' Affairs stating the date on which the  
10 dependent was released from service.

11 (e) Calculation of the cost of coverage provided to an  
12 unmarried dependent under this Section shall be identical.

13 (f) Nothing in this Section shall prohibit an employer from  
14 requiring an employee to pay all or part of the cost of  
15 coverage provided under this Section.

16 (g) No exclusions or limitations may be applied to coverage  
17 elected pursuant to this Section that do not apply to all  
18 dependents covered under the policy.

19 (h) A policy or plan subject to this Section shall not  
20 condition eligibility for dependent coverage provided pursuant  
21 to this Section on enrollment in any educational institution.

22 (i) Notice regarding coverage for a dependent as provided  
23 pursuant to this Section shall be provided to an insured by the  
24 insurer:

25 (1) upon application or enrollment;

26 (2) in the certificate of coverage or equivalent

1 document prepared for an insured and delivered on or about  
2 the date on which the coverage commences; and

3 (3) (blank).

4 (Source: P.A. 98-226, eff. 1-1-14.)