

# HB5533



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5533

by Rep. Mary Edly-Allen

### SYNOPSIS AS INTRODUCED:

215 ILCS 5/356z.12

Amends the Illinois Insurance Code. Provides that an insurer shall provide notice to an insured's dependent at least 30 days before the termination of the dependent's coverage if the insured no longer elects to cover the dependent, unless the dependent's coverage is terminated because the dependent is 26 years of age or older.

LRB101 18903 BMS 68362 b

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

23 (c) A policy or plan subject to this Section shall allow

1 for dependent coverage during the annual open enrollment date  
2 or the annual renewal date if the dependent, as of the date on  
3 which the insured elects dependent coverage under this  
4 subsection, has:

5 (1) a period of continuous creditable coverage of 90  
6 days or more; and

7 (2) not been without creditable coverage for more than  
8 63 days.

9 An insured may elect coverage for a dependent who does not meet  
10 the continuous creditable coverage requirements of this  
11 subsection (c) and that dependent shall not be denied coverage  
12 due to age.

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

17 (d) Military personnel. A group or individual policy of  
18 accident and health insurance or managed care plan that  
19 provides coverage for dependents and that is amended,  
20 delivered, issued, or renewed after the effective date of this  
21 amendatory Act of the 95th General Assembly shall not terminate  
22 coverage or deny the election of coverage for an unmarried  
23 dependent by reason of the dependent's age before the  
24 dependent's 30th birthday if the dependent (i) is an Illinois  
25 resident, (ii) served as a member of the active or reserve  
26 components of any of the branches of the Armed Forces of the

1 United States, and (iii) has received a release or discharge  
2 other than a dishonorable discharge. To be eligible for  
3 coverage under this subsection (d), the eligible dependent  
4 shall submit to the insurer a form approved by the Illinois  
5 Department of Veterans' Affairs stating the date on which the  
6 dependent was released from service.

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

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

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

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

18 (i) Notice regarding coverage for a dependent as provided  
19 pursuant to this Section shall be provided to an insured by the  
20 insurer:

21 (1) upon application or enrollment;

22 (2) in the certificate of coverage or equivalent  
23 document prepared for an insured and delivered on or about  
24 the date on which the coverage commences; and

25 (3) (blank).

26 (j) An insurer shall provide notice to an insured's

1 dependent at least 30 days before the termination of the  
2 dependent's coverage if the insured no longer elects to cover  
3 the dependent, unless the dependent's coverage is terminated  
4 because the dependent is 26 years of age or older.

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