

HB0810



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0810

Introduced 2/10/2021, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

215 ILCS 5/367f

from Ch. 73, par. 979f

Amends the Illinois Insurance Code. Makes a technical change in a Section concerning firemen's continuance privilege.

LRB102 10585 BMS 15914 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 367f as follows:

6 (215 ILCS 5/367f) (from Ch. 73, par. 979f)

7 Sec. 367f. Firemen's continuance privilege. As used in
8 this Section:

9 1. The terms "municipality", "deferred pensioner" and
10 "creditable service" shall have the ~~the~~ meaning ascribed to
11 such terms by Sections 4-103, 4-105a and 4-108, respectively,
12 of the Illinois Pension Code, as now or hereafter amended.

13 2. The terms "fireman" and "firemen" shall have the
14 meaning ascribed to the term "firefighter" by Section 4-106 of
15 the Illinois Pension Code, and include those persons under the
16 coverage of Article 4 of that Code, as heretofore or hereafter
17 amended.

18 3. The "retirement or disability period" of a fireman
19 means the period:

20 a. which begins on the day the fireman is removed from
21 a municipality's fire department payroll because of the
22 occurrence of any of the following events, to wit: (i) the
23 fireman retires as a deferred pensioner under Section

1 4-105a of the Illinois Pension Code, (ii) the fireman
2 retires from active service as a fireman with an attained
3 age and accumulated creditable service which together
4 qualify the fireman for immediate receipt of retirement
5 pension benefits under Section 4-109 of the Illinois
6 Pension Code, or (iii) the fireman's disability is
7 established under Section 4-112 of the Illinois Pension
8 Code; and

9 b. which ends on the first to occur of any of the
10 following events, to wit: (i) the fireman's reinstatement
11 or reentry into active service on the municipality's fire
12 department as provided for under Article 4 of the Illinois
13 Pension Code, (ii) the fireman's exercise of any refund
14 option available under Section 4-116 of the Illinois
15 Pension Code, (iii) the fireman's loss pursuant to Section
16 4-138 of the Illinois Pension Code of any benefits
17 provided for in Article 4 of that Code, or (iv) the
18 fireman's death or -- if at the time of the fireman's death
19 the fireman is survived by a spouse who, in that capacity,
20 is entitled to receive a surviving spouse's monthly
21 pension pursuant to Article 4 of the Illinois Pension Code
22 -- then the death or remarriage of that spouse.

23 No policy of group accident and health insurance under
24 which firemen employed by a municipality are insured for their
25 individual benefit shall be issued or delivered in this State
26 to any municipality unless such group policy provides for the

1 election of continued group insurance coverage for the
2 retirement or disability period of each fireman who is insured
3 under the provisions of the group policy on the day
4 immediately preceding the day on which the retirement or
5 disability period of such fireman begins. So long as any
6 required premiums for continued group insurance coverage are
7 paid in accordance with the provisions of the group policy, an
8 election made pursuant to this Section shall provide continued
9 group insurance coverage for a fireman throughout the
10 retirement or disability period of the fireman and, unless the
11 fireman otherwise elects and subject to any other provisions
12 of the group policy which relate either to the provision or to
13 the termination of dependents' coverage and which are not
14 inconsistent with this Section, for any dependents of the
15 fireman who are insured under the group policy on the day
16 immediately preceding the day on which the retirement or
17 disability period of the fireman begins; provided, however,
18 that when such continued group insurance coverage is in effect
19 with respect to a fireman on the date of the fireman's death
20 but the retirement or disability period of the fireman does
21 not end with such fireman's death, then the deceased fireman's
22 surviving spouse upon whose death or remarriage such
23 retirement or disability period will end shall be entitled,
24 without further election and upon payment of any required
25 premiums in accordance with the provisions of the group
26 policy, to maintain such continued group insurance coverage in

1 effect until the end of such retirement or disability period.
2 Continued group insurance coverage shall be provided in
3 accordance with this Section at the same premium rate from
4 time to time charged for equivalent coverage provided under
5 the group policy with respect to covered firemen whose
6 retirement or disability period has not begun, and no
7 distinction or discrimination in the amount or rate of
8 premiums or in any waiver of premium or other benefit
9 provision shall be made between continued group insurance
10 coverage elected pursuant to this Section and equivalent
11 coverage provided to firemen under the group policy other than
12 pursuant to the provisions of this Section; provided that no
13 municipality shall be required by reason of any provision of
14 this Section to pay any group insurance premium other than one
15 that may be negotiated in a collective bargaining agreement.
16 If a person electing continued coverage under this Section
17 becomes eligible for medicare coverage, benefits under the
18 group policy may continue as a supplement to the medicare
19 coverage upon payment of any required premiums to maintain the
20 benefits of the group policy as supplemental coverage.

21 Within 15 days of the beginning of the retirement or
22 disability period of any fireman entitled to elect continued
23 group insurance coverage under any group policy affected by
24 this Section, the municipality last employing such fireman
25 shall give written notice of such beginning by certified mail,
26 return receipt requested to the insurance company issuing such

1 policy. The notice shall include the fireman's name and last
2 known place of residence and the beginning date of the
3 fireman's retirement or disability period.

4 Within 15 days of the date of receipt of such notice from
5 the municipality, the insurance company by certified mail,
6 return receipt requested, shall give written notice to the
7 fireman at the fireman's last known place of residence that
8 coverage under the group policy may be continued for the
9 retirement or disability period of the fireman as provided in
10 this Section. Such notice shall set forth: (i) a statement of
11 election to be filed by the fireman if the fireman wishes to
12 continue such group insurance coverage, (ii) the amount of
13 monthly premium, including a statement of the portion of such
14 monthly premium attributable to any dependents' coverage which
15 the fireman may elect, and (iii) instructions as to the return
16 of the election form to the insurance company issuing such
17 policy. Election shall be made, if at all, by returning the
18 statement of election to the insurance company by certified
19 mail, return receipt requested within 15 days after having
20 received it.

21 If the fireman elects to continue coverage, it shall be
22 the obligation of the fireman to pay the monthly premium
23 directly to the municipality which shall forward it to the
24 insurance company issuing the group insurance policy, or as
25 otherwise directed by the insurance company; provided,
26 however, that the fireman shall be entitled to designate on

1 the statement of election required to be filed with the
2 insurance company that the total monthly premium, or such
3 portion thereof as is not contributed by a municipality, be
4 deducted by a Firefighter's Pension Fund from any monthly
5 pension payment otherwise payable to or on behalf of the
6 fireman pursuant to Article 4 of the Illinois Pension Code,
7 and be remitted by such Pension Fund to the insurance company.
8 The portion, if any, of the monthly premium contributed by a
9 municipality for such continued group insurance coverage shall
10 be paid by the municipality directly to the insurance company
11 issuing the group insurance policy, or as otherwise directed
12 by the insurance company. Such continued group insurance
13 coverage shall relate back to the beginning of the fireman's
14 retirement or disability period.

15 The amendment, renewal or extension of any group insurance
16 policy affected by this Section shall be deemed to be the
17 issuance of a new policy of insurance for purposes of this
18 Section.

19 In the event that a municipality makes a program of
20 accident, health, hospital or medical benefits available to
21 its firemen through self-insurance, or by participation in a
22 pool or reciprocal insurer, or by contract in a form other than
23 a policy of group insurance with one or more medical service
24 plans, health care service corporations, health maintenance
25 organizations, or any other professional corporations or plans
26 under which health care or reimbursement for the costs thereof

1 is provided, whether the cost of such benefits is borne by the
2 municipality or the firemen or both, such firemen and their
3 surviving spouses shall have the same right to elect continued
4 coverage under such program of benefits as they would have if
5 such benefits were provided by a policy of group accident and
6 health insurance. In such cases, the notice of right to elect
7 continued coverage shall be sent by the municipality; the
8 statement of election shall be sent to the municipality; and
9 references to the required premium shall refer to that portion
10 of the cost of such benefits which is not borne by the
11 municipality, either voluntarily or pursuant to the provisions
12 of a collective bargaining agreement. In the case of a
13 municipality providing such benefits through self-insurance or
14 participation in a pool or reciprocal insurer, the right to
15 elect continued coverage which is provided by this paragraph
16 shall be implemented and made available to the firemen of the
17 municipality and qualifying surviving spouses not later than
18 July 1, 1985.

19 The amendment, renewal or extension of any such contract
20 in a form other than a policy of group insurance policy shall
21 be deemed the formation of a new contract for the purposes of
22 this Section.

23 This Section shall not limit the exercise of any
24 conversion privileges available under Section 367e.

25 Pursuant to paragraphs (h) and (i) of Section 6 of Article
26 VII of the Illinois Constitution, this Section specifically

1 denies and limits the exercise by a home rule unit of any power
2 which is inconsistent with this Section and all existing laws
3 and ordinances which are inconsistent with this Section are
4 hereby superseded. This Section does not preempt the
5 concurrent exercise by home rule units of powers consistent
6 herewith.

7 The Division of Insurance of the Department of Financial
8 and Professional Regulation shall enforce the provisions of
9 this Section, including provisions relating to municipality
10 self-insured benefit plans.

11 (Source: P.A. 94-858, eff. 6-15-06.)