



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3281

Introduced 2/7/2012, by Sen. Michael W. Frerichs

SYNOPSIS AS INTRODUCED:

215 ILCS 5/367f

from Ch. 73, par. 979f

Amends the Illinois Insurance Code. In the provision concerning firemen's continuance privilege, changes the definition of "retirement or disability period" to include the period when the disabled or retired fireman, if not enrolled in the municipal group insurance plan at the time of disability or retirement, may elect to enroll in the municipal group insurance plan during open enrollment. Provides that the disabled or retired fireman, if not enrolled in the municipal group insurance plan at the time of disability or retirement, may elect to enroll during open enrollment but not after the fireman becomes eligible for federal Medicare coverage and not more than once. Provides that the fireman must be insurable and must pay the cost of the insurance premium in order to reenter the insurance plan. Effective immediately.

LRB097 16903 RPM 62091 b

1 AN ACT concerning insurance.

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 this
8 Section:

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

13 2. The terms "fireman" and "firemen" shall have the meaning
14 ascribed to the term "firefighter" by Section 4-106 of the
15 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 means
19 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 provided
17 for in Article 4 of that Code, or (iv) the fireman's death
18 or -- if at the time of the fireman's death the fireman is
19 survived by a spouse who, in that capacity, is entitled to
20 receive a surviving spouse's monthly pension pursuant to
21 Article 4 of the Illinois Pension Code -- then the death or
22 remarriage of that spouse; and -

23 c. during which, notwithstanding subsections 3a or 3b
24 of this Section, the disabled or retired fireman, if not
25 enrolled in the municipal group insurance plan at the time
26 of disability or retirement, may elect to enroll in the

1 municipal group insurance plan during an open enrollment
2 period; the disabled or retired fireman, if not enrolled in
3 the municipal group insurance plan at the time of
4 disability or retirement, may elect to enroll in the
5 municipal group insurance plan during an open enrollment
6 period but not after the fireman becomes eligible for
7 federal Medicare coverage and not more than once; the
8 fireman must be insurable and must pay the cost of the
9 insurance premium at a rate set in accordance with this
10 Code in order to reenter the municipal group insurance
11 plan.

12 No policy of group accident and health insurance under
13 which firemen employed by a municipality are insured for their
14 individual benefit shall be issued or delivered in this State
15 to any municipality unless such group policy provides for the
16 election of continued group insurance coverage for the
17 retirement or disability period of each fireman or an election
18 exercised under subsection 3c of this Section during any open
19 enrollment period ~~who is insured under the provisions of the~~
20 ~~group policy on the day immediately preceding the day on which~~
21 ~~the retirement or disability period of such fireman begins.~~ So
22 long as any required premiums for continued group insurance
23 coverage are paid in accordance with the provisions of the
24 group policy, an election made pursuant to this Section shall
25 provide continued group insurance coverage for a fireman
26 throughout the retirement or disability period of the fireman

1 and, unless the fireman otherwise elects and subject to any
2 other provisions of the group policy which relate either to the
3 provision or to the termination of dependents' coverage and
4 which are not inconsistent with this Section, for any
5 dependents of the fireman who are insured under the group
6 policy ~~on the day immediately preceding the day on which the~~
7 ~~retirement or disability period of the fireman begins;~~
8 provided, however, that when such continued group insurance
9 coverage is in effect with respect to a fireman on the date of
10 the fireman's death but the retirement or disability period of
11 the fireman does not end with such fireman's death, then the
12 deceased fireman's surviving spouse upon whose death or
13 remarriage such retirement or disability period will end shall
14 be entitled, without further election and upon payment of any
15 required premiums in accordance with the provisions of the
16 group policy, to maintain such continued group insurance
17 coverage in effect until the end of such retirement or
18 disability period. Continued group insurance coverage shall be
19 provided in accordance with this Section at the same premium
20 rate from time to time charged for equivalent coverage provided
21 under the group policy with respect to covered firemen whose
22 retirement or disability period has not begun, and no
23 distinction or discrimination in the amount or rate of premiums
24 or in any waiver of premium or other benefit provision shall be
25 made between continued group insurance coverage elected
26 pursuant to this Section and equivalent coverage provided to

1 firemen under the group policy other than pursuant to the
2 provisions of this Section; provided that no municipality shall
3 be required by reason of any provision of this Section to pay
4 any group insurance premium other than one that may be
5 negotiated in a collective bargaining agreement. If a person
6 electing continued coverage under this Section becomes
7 eligible for medicare coverage, benefits under the group policy
8 may continue as a supplement to the medicare coverage upon
9 payment of any required premiums to maintain the benefits of
10 the group policy as supplemental coverage.

11 Within 15 days of the beginning of the retirement or
12 disability period of any fireman entitled to elect continued
13 group insurance coverage under any group policy affected by
14 this Section, the municipality last employing such fireman
15 shall give written notice of such beginning by certified mail,
16 return receipt requested to the insurance company issuing such
17 policy. The notice shall include the fireman's name and last
18 known place of residence and the beginning date of the
19 fireman's retirement or disability period.

20 Within 15 days of the date of receipt of such notice from
21 the municipality, the insurance company by certified mail,
22 return receipt requested, shall give written notice to the
23 fireman at the fireman's last known place of residence that
24 coverage under the group policy may be continued for the
25 retirement or disability period of the fireman as provided in
26 this Section. Such notice shall set forth: (i) a statement of

1 election to be filed by the fireman if the fireman wishes to
2 continue such group insurance coverage, (ii) the amount of
3 monthly premium, including a statement of the portion of such
4 monthly premium attributable to any dependents' coverage which
5 the fireman may elect, and (iii) instructions as to the return
6 of the election form to the insurance company issuing such
7 policy. Election shall be made, if at all, by returning the
8 statement of election to the insurance company by certified
9 mail, return receipt requested within 15 days after having
10 received it.

11 If the fireman elects to continue coverage, it shall be the
12 obligation of the fireman to pay the monthly premium directly
13 to the municipality which shall forward it to the insurance
14 company issuing the group insurance policy, or as otherwise
15 directed by the insurance company; provided, however, that the
16 fireman shall be entitled to designate on the statement of
17 election required to be filed with the insurance company that
18 the total monthly premium, or such portion thereof as is not
19 contributed by a municipality, be deducted by a Firefighter's
20 Pension Fund from any monthly pension payment otherwise payable
21 to or on behalf of the fireman pursuant to Article 4 of the
22 Illinois Pension Code, and be remitted by such Pension Fund to
23 the insurance company. The portion, if any, of the monthly
24 premium contributed by a municipality for such continued group
25 insurance coverage shall be paid by the municipality directly
26 to the insurance company issuing the group insurance policy, or

1 as otherwise directed by the insurance company. Such continued
2 group insurance coverage shall relate back to the beginning of
3 the fireman's retirement or disability period.

4 The amendment, renewal or extension of any group insurance
5 policy affected by this Section shall be deemed to be the
6 issuance of a new policy of insurance for purposes of this
7 Section.

8 In the event that a municipality makes a program of
9 accident, health, hospital or medical benefits available to its
10 firemen through self-insurance, or by participation in a pool
11 or reciprocal insurer, or by contract in a form other than a
12 policy of group insurance with one or more medical service
13 plans, health care service corporations, health maintenance
14 organizations, or any other professional corporations or plans
15 under which health care or reimbursement for the costs thereof
16 is provided, whether the cost of such benefits is borne by the
17 municipality or the firemen or both, such firemen and their
18 surviving spouses shall have the same right to elect continued
19 coverage under such program of benefits as they would have if
20 such benefits were provided by a policy of group accident and
21 health insurance. In such cases, the notice of right to elect
22 continued coverage shall be sent by the municipality; the
23 statement of election shall be sent to the municipality; and
24 references to the required premium shall refer to that portion
25 of the cost of such benefits which is not borne by the
26 municipality, either voluntarily or pursuant to the provisions

1 of a collective bargaining agreement. In the case of a
2 municipality providing such benefits through self-insurance or
3 participation in a pool or reciprocal insurer, the right to
4 elect continued coverage which is provided by this paragraph
5 shall be implemented and made available to the firemen of the
6 municipality and qualifying surviving spouses not later than
7 July 1, 1985.

8 The amendment, renewal or extension of any such contract in
9 a form other than a policy of group insurance policy shall be
10 deemed the formation of a new contract for the purposes of this
11 Section.

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

14 Pursuant to paragraphs (h) and (i) of Section 6 of Article
15 VII of the Illinois Constitution, this Section specifically
16 denies and limits the exercise by a home rule unit of any power
17 which is inconsistent with this Section and all existing laws
18 and ordinances which are inconsistent with this Section are
19 hereby superseded. This Section does not preempt the concurrent
20 exercise by home rule units of powers consistent herewith.

21 The Division of Insurance of the Department of Financial
22 and Professional Regulation shall enforce the provisions of
23 this Section, including provisions relating to municipality
24 self-insured benefit plans.

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

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.