

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 Sections 143, 356z.12, and 1202 as follows:

6 (215 ILCS 5/143) (from Ch. 73, par. 755)

7 Sec. 143. Policy forms.

8 (1) Life, accident and health. No company transacting the  
9 kind or kinds of business enumerated in Classes 1 (a), 1 (b)  
10 and 2 (a) of Section 4 shall issue or deliver in this State a  
11 policy or certificate of insurance or evidence of coverage,  
12 attach an endorsement or rider thereto, incorporate by  
13 reference bylaws or other matter therein or use an application  
14 blank in this State until the form and content of such policy,  
15 certificate, evidence of coverage, endorsement, rider, bylaw  
16 or other matter incorporated by reference or application blank  
17 has been filed electronically with the Director, either through  
18 the System for Electronic Rate and Form Filing (SERFF) or as  
19 otherwise prescribed by the Director, and approved by the  
20 Director. ~~The Department shall mail a quarterly invoice to the~~  
21 ~~company for the appropriate filing fees required under Section~~  
22 ~~408.~~ Any such endorsement or rider that unilaterally reduces  
23 benefits and is to be attached to a policy subsequent to the

1 date the policy is issued must be filed with, reviewed, and  
2 formally approved by the Director prior to the date it is  
3 attached to a policy issued or delivered in this State. It  
4 shall be the duty of the Director to withhold approval of any  
5 such policy, certificate, endorsement, rider, bylaw or other  
6 matter incorporated by reference or application blank filed  
7 with him if it contains provisions which encourage  
8 misrepresentation or are unjust, unfair, inequitable,  
9 ambiguous, misleading, inconsistent, deceptive, contrary to  
10 law or to the public policy of this State, or contains  
11 exceptions and conditions that unreasonably or deceptively  
12 affect the risk purported to be assumed in the general coverage  
13 of the policy. In all cases the Director shall approve or  
14 disapprove any such form within 60 days after submission unless  
15 the Director extends by not more than an additional 30 days the  
16 period within which he shall approve or disapprove any such  
17 form by giving written notice to the insurer of such extension  
18 before expiration of the initial 60 days period. The Director  
19 shall withdraw his approval of a policy, certificate, evidence  
20 of coverage, endorsement, rider, bylaw, or other matter  
21 incorporated by reference or application blank if he  
22 subsequently determines that such policy, certificate,  
23 evidence of coverage, endorsement, rider, bylaw, other matter,  
24 or application blank is misrepresentative, unjust, unfair,  
25 inequitable, ambiguous, misleading, inconsistent, deceptive,  
26 contrary to law or public policy of this State, or contains

1 exceptions or conditions which unreasonably or deceptively  
2 affect the risk purported to be assumed in the general coverage  
3 of the policy or evidence of coverage.

4 If a previously approved policy, certificate, evidence of  
5 coverage, endorsement, rider, bylaw or other matter  
6 incorporated by reference or application blank is withdrawn for  
7 use, the Director shall serve upon the company an order of  
8 withdrawal of use, either personally or by mail, and if by  
9 mail, such service shall be completed if such notice be  
10 deposited in the post office, postage prepaid, addressed to the  
11 company's last known address specified in the records of the  
12 Department of Insurance. The order of withdrawal of use shall  
13 take effect 30 days from the date of mailing but shall be  
14 stayed if within the 30-day period a written request for  
15 hearing is filed with the Director. Such hearing shall be held  
16 at such time and place as designated in the order given by the  
17 Director. The hearing may be held either in the City of  
18 Springfield, the City of Chicago or in the county where the  
19 principal business address of the company is located. The  
20 action of the Director in disapproving or withdrawing such form  
21 shall be subject to judicial review under the Administrative  
22 Review Law.

23 This subsection shall not apply to riders or endorsements  
24 issued or made at the request of the individual policyholder  
25 relating to the manner of distribution of benefits or to the  
26 reservation of rights and benefits under his life insurance

1 policy.

2 (2) Casualty, fire, and marine. The Director shall require  
3 the filing of all policy forms issued or delivered by any  
4 company transacting the kind or kinds of business enumerated in  
5 Classes 2 (except Class 2 (a)) and 3 of Section 4 in an  
6 electronic format either through the System for Electronic Rate  
7 and Form Filing (SERFF) or as otherwise prescribed and approved  
8 by the Director. In addition, he may require the filing of any  
9 generally used riders, endorsements, certificates, application  
10 blanks, and other matter incorporated by reference in any such  
11 policy or contract of insurance. ~~The Department shall mail a~~  
12 ~~quarterly invoice to the company for the appropriate filing~~  
13 ~~fees required under Section 408.~~ Companies that are members of  
14 an organization, bureau, or association may have the same filed  
15 for them by the organization, bureau, or association. If the  
16 Director shall find from an examination of any such policy  
17 form, rider, endorsement, certificate, application blank, or  
18 other matter incorporated by reference in any such policy so  
19 filed that it (i) violates any provision of this Code, (ii)  
20 contains inconsistent, ambiguous, or misleading clauses, or  
21 (iii) contains exceptions and conditions that will  
22 unreasonably or deceptively affect the risks that are purported  
23 to be assumed by the policy, he shall order the company or  
24 companies issuing these forms to discontinue their use. Nothing  
25 in this subsection shall require a company transacting the kind  
26 or kinds of business enumerated in Classes 2 (except Class 2

1 (a)) and 3 of Section 4 to obtain approval of these forms  
2 before they are issued nor in any way affect the legality of  
3 any policy that has been issued and found to be in conflict  
4 with this subsection, but such policies shall be subject to the  
5 provisions of Section 442.

6 (3) This Section shall not apply (i) to surety contracts or  
7 fidelity bonds, (ii) to policies issued to an industrial  
8 insured as defined in Section 121-2.08 except for workers'  
9 compensation policies, nor (iii) to riders or endorsements  
10 prepared to meet special, unusual, peculiar, or extraordinary  
11 conditions applying to an individual risk.

12 (Source: P.A. 97-486, eff. 1-1-12.)

13 (215 ILCS 5/356z.12)

14 Sec. 356z.12. Dependent coverage.

15 (a) A group or individual policy of accident and health  
16 insurance or managed care plan that provides coverage for  
17 dependents and that is amended, delivered, issued, or renewed  
18 after the effective date of this amendatory Act of the 95th  
19 General Assembly shall not terminate coverage or deny the  
20 election of coverage for an unmarried dependent by reason of  
21 the dependent's age before the dependent's 26th birthday.

22 (b) A policy or plan subject to this Section shall, upon  
23 amendment, delivery, issuance, or renewal, establish an  
24 initial enrollment period of not less than 90 days during which  
25 an insured may make a written election for coverage of an

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

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

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

12 (2) not been without creditable coverage for more than  
13 63 days.

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

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

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

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

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

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

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

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

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

26 (1) upon application or enrollment;

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

4           (3) (blank) ~~in a notice delivered to an insured on a~~  
5 ~~semi-annual basis.~~

6 (Source: P.A. 95-958, eff. 6-1-09.)

7 (215 ILCS 5/1202) (from Ch. 73, par. 1065.902)

8 Sec. 1202. Duties. The Director shall:

9 (a) determine the relationship of insurance premiums and  
10 related income as compared to insurance costs and expenses and  
11 provide such information to the General Assembly and the  
12 general public;

13 (b) study the insurance system in the State of Illinois,  
14 and recommend to the General Assembly what it deems to be the  
15 most appropriate and comprehensive cost containment system for  
16 the State;

17 (c) respond to the requests by agencies of government and  
18 the General Assembly for special studies and analysis of data  
19 collected pursuant to this Article. Such reports shall be made  
20 available in a form prescribed by the Director. The Director  
21 may also determine a fee to be charged to the requesting agency  
22 to cover the direct and indirect costs for producing such a  
23 report, and shall permit affected insurers the right to review  
24 the accuracy of the report before it is released. The fees  
25 shall be deposited into the Statistical Services Revolving Fund



1 and credited to the account of the Department of Insurance;

2 (d) make an interim report to the General Assembly no later  
3 than August 15, 1987, and a annual report to the General  
4 Assembly no later than July 1 ~~April 15~~ every year thereafter  
5 which shall include the Director's findings and  
6 recommendations regarding its duties as provided under  
7 subsections (a), (b), and (c) of this Section.

8 (Source: P.A. 91-357, eff. 7-29-99.)