

HB2616



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2616

by Rep. Frank J. Mautino

SYNOPSIS AS INTRODUCED:

215 ILCS 5/367a

from Ch. 73, par. 979a

Amends the Illinois Insurance Code. Clarifies certain provisions defining "blanket accident and health insurance" coverage and expands the definition of the term to include certain kinds of coverage in other types of businesses and organizations.

LRB099 08039 MLM 28183 b

A BILL FOR

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 367a as follows:

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

7 Sec. 367a. Blanket accident and health insurance.

8 (1) Blanket accident and health insurance is that form of
9 accident and health insurance covering special groups of
10 persons as enumerated in one of the following paragraphs (a) to
11 (n) ~~(g)~~, inclusive:

12 (a) Under a policy or contract issued to any carrier for
13 hire or to any owner, operator, or lessee of a means of
14 transportation, which shall be deemed the policyholder,
15 covering a group defined as all persons who may become
16 passengers on such carrier or means of transportation.

17 (b) Under a policy or contract issued to an employer, which
18 ~~who~~ shall be deemed the policyholder, covering all workers
19 ~~employees~~ or any group of workers, dependents, or guests
20 ~~employees~~ defined by reference to exceptional hazards incident
21 to an activity or activities or operations of the policy holder
22 ~~such employment~~.

23 (c) Under a policy or contract issued to a college, school,

1 or other institution of learning or to the head or principal
2 thereof, who or which shall be deemed the policyholder,
3 covering students or teachers, or employees, and may include
4 dependents.

5 (d) Under a policy or contract issued in the name of any
6 volunteer fire department, first aid, civil defense, or other
7 such volunteer group, or an agency having jurisdiction over
8 these groups, which shall be deemed the policyholder, covering
9 all or any group of the members of such department, ~~or group,~~
10 or any group of participants defined by reference to activities
11 or operations sponsored or supervised by the policyholder.

12 (e) Under a policy or contract issued to a creditor, who
13 shall be deemed the policyholder, to insure debtors of the
14 creditors; Provided, however, that in the case of a loan which
15 is subject to the Small Loans Act, no insurance premium or
16 other cost shall be directly or indirectly charged or assessed
17 against, or collected or received from the borrower.

18 (f) Under a policy or contract issued to a sports team or
19 to a camp, or to a sponsor of either, which team or camp
20 sponsor shall be deemed the policyholder, covering members, ~~or~~
21 campers, employees, officials, supervisors, or volunteers.

22 (g) Under a policy or contract issued to any religious,
23 charitable, recreational, educational, or civic organization,
24 or branch thereof, which organization shall be deemed the
25 policyholder, covering any group of persons while engaged in
26 any activity, activities, or operations sponsored or

1 supervised by or on the premises of the policyholder.

2 (h) Under a policy or contract issued to a newspaper or
3 other publisher, which shall be deemed the policyholder,
4 covering its carriers.

5 (i) Under a policy or contract issued to a restaurant,
6 hotel, motel, innkeeper, or other group with a high degree of
7 customer liability, which shall be deemed the policyholder,
8 covering patrons or guests.

9 (j) Under a policy or contract issued to a health
10 maintenance organization, health care provider, or other
11 arranger of health services, which shall be deemed the
12 policyholder, covering subscribers, patients, donors, or
13 surrogates, provided that this coverage is not made a condition
14 of receiving care.

15 (k) Under a policy or contract issued to a bank, savings
16 and loan association, credit union, or other similar financial
17 institution or vendor, to a parent holding company, or to the
18 trustee, trustees, or agents designated by one or more banks,
19 savings and loan associations, credit unions, or other similar
20 financial institutions or vendors, which shall be deemed the
21 policyholder, covering account holders, depositors, members,
22 debtors, or guarantors.

23 (l) Under a policy or contract issued to an incorporated or
24 unincorporated association of persons having a common interest
25 or calling, which association shall be deemed the policyholder,
26 formed for purposes other than obtaining insurance, covering

1 members of the association.

2 (m) Under a policy or contract issued to a travel agency or
3 other organization that provides travel-related services,
4 which agency or organization shall be deemed the policyholder,
5 to cover all persons for which travel-related services are
6 provided.

7 (n) ~~(g)~~ Under a policy or contract issued to any other
8 individual risk or class of risk that ~~substantially similar~~
9 ~~group which,~~ in the discretion of the Director, may be subject
10 to the issuance of a blanket accident and health policy or
11 contract.

12 (2) Any insurance company authorized to write accident and
13 health insurance in this state shall have the power to issue
14 blanket accident and health insurance. No such blanket policy
15 may be issued or delivered in this State unless a copy of the
16 form thereof shall have been filed in accordance with Section
17 355, and it contains in substance such of those provisions
18 contained in Sections 357.1 through 357.30 as may be applicable
19 to blanket accident and health insurance and the following
20 provisions:

21 (a) A provision that the policy and the application shall
22 constitute the entire contract between the parties, and that
23 all statements made by the policyholder shall, in absence of
24 fraud, be deemed representations and not warranties, and that
25 no such statements shall be used in defense to a claim under
26 the policy, unless it is contained in a written application.

1 (b) A provision that to the group or class thereof
2 originally insured shall be added from time to time all new
3 persons or individuals eligible for coverage.

4 (3) An individual application shall not be required from a
5 person covered under a blanket accident or health policy or
6 contract, nor shall it be necessary for the insurer to furnish
7 each person a certificate.

8 (4) All benefits under any blanket accident and health
9 policy shall be payable to the person insured, or to his
10 designated beneficiary or beneficiaries, or to his or her
11 estate, except that if the person insured be a minor or person
12 under legal disability, such benefits may be made payable to
13 his or her parent, guardian, or other person actually
14 supporting him or her. Provided further, however, that the
15 policy may provide that all or any portion of any indemnities
16 provided by any such policy on account of hospital, nursing,
17 medical or surgical services may, at the insurer's option, be
18 paid directly to the hospital or person rendering such
19 services; but the policy may not require that the service be
20 rendered by a particular hospital or person. Payment so made
21 shall discharge the insurer's obligation with respect to the
22 amount of insurance so paid.

23 (5) Nothing contained in this section shall be deemed to
24 affect the legal liability of policyholders for the death of or
25 injury to, any such member of such group.

26 (Source: P.A. 83-1362.)