



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB0650

Introduced 2/6/2009, by Rep. Lou Lang

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/367f

from Ch. 73, par. 979f

Amends the Illinois Insurance Code. 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 an open enrollment period. Makes corresponding changes in the provision. Effective immediately.

LRB096 03399 RPM 13422 b

FISCAL NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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

1       municipal group insurance plan during an open enrollment  
2       period.

3       No policy of group accident and health insurance under  
4       which firemen employed by a municipality are insured for their  
5       individual benefit shall be issued or delivered in this State  
6       to any municipality unless such group policy provides for the  
7       election of continued group insurance coverage for the  
8       retirement or disability period of each fireman or an election  
9       exercised under subsection 3c of this Section during any open  
10      enrollment period ~~who is insured under the provisions of the~~  
11      ~~group policy on the day immediately preceding the day on which~~  
12      ~~the retirement or disability period of such fireman begins.~~ So  
13      long as any required premiums for continued group insurance  
14      coverage are paid in accordance with the provisions of the  
15      group policy, an election made pursuant to this Section shall  
16      provide continued group insurance coverage for a fireman  
17      throughout the retirement or disability period of the fireman  
18      and, unless the fireman otherwise elects and subject to any  
19      other provisions of the group policy which relate either to the  
20      provision or to the termination of dependents' coverage and  
21      which are not inconsistent with this Section, for any  
22      dependents of the fireman who are insured under the group  
23      policy ~~on the day immediately preceding the day on which the~~  
24      ~~retirement or disability period of the fireman begins;~~  
25      provided, however, that when such continued group insurance  
26      coverage is in effect with respect to a fireman on the date of

1 the fireman's death but the retirement or disability period of  
2 the fireman does not end with such fireman's death, then the  
3 deceased fireman's surviving spouse upon whose death or  
4 remarriage such retirement or disability period will end shall  
5 be entitled, without further election and upon payment of any  
6 required premiums in accordance with the provisions of the  
7 group policy, to maintain such continued group insurance  
8 coverage in effect until the end of such retirement or  
9 disability period. Continued group insurance coverage shall be  
10 provided in accordance with this Section at the same premium  
11 rate from time to time charged for equivalent coverage provided  
12 under the group policy with respect to covered firemen whose  
13 retirement or disability period has not begun, and no  
14 distinction or discrimination in the amount or rate of premiums  
15 or in any waiver of premium or other benefit provision shall be  
16 made between continued group insurance coverage elected  
17 pursuant to this Section and equivalent coverage provided to  
18 firemen under the group policy other than pursuant to the  
19 provisions of this Section; provided that no municipality shall  
20 be required by reason of any provision of this Section to pay  
21 any group insurance premium other than one that may be  
22 negotiated in a collective bargaining agreement. If a person  
23 electing continued coverage under this Section becomes  
24 eligible for medicare coverage, benefits under the group policy  
25 may continue as a supplement to the medicare coverage upon  
26 payment of any required premiums to maintain the benefits of

1 the group policy as supplemental coverage.

2 Within 15 days of the beginning of the retirement or  
3 disability period of any fireman entitled to elect continued  
4 group insurance coverage under any group policy affected by  
5 this Section, the municipality last employing such fireman  
6 shall give written notice of such beginning by certified mail,  
7 return receipt requested to the insurance company issuing such  
8 policy. The notice shall include the fireman's name and last  
9 known place of residence and the beginning date of the  
10 fireman's retirement or disability period.

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

1 received it.

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

21 The amendment, renewal or extension of any group insurance  
22 policy affected by this Section shall be deemed to be the  
23 issuance of a new policy of insurance for purposes of this  
24 Section.

25 In the event that a municipality makes a program of  
26 accident, health, hospital or medical benefits available to its

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

25 The amendment, renewal or extension of any such contract in  
26 a form other than a policy of group insurance policy shall be



1 deemed the formation of a new contract for the purposes of this  
2 Section.

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

5 Pursuant to paragraphs (h) and (i) of Section 6 of Article  
6 VII of the Illinois Constitution, this Section specifically  
7 denies and limits the exercise by a home rule unit of any power  
8 which is inconsistent with this Section and all existing laws  
9 and ordinances which are inconsistent with this Section are  
10 hereby superseded. This Section does not preempt the concurrent  
11 exercise by home rule units of powers consistent herewith.

12 The Division of Insurance of the Department of Financial  
13 and Professional Regulation shall enforce the provisions of  
14 this Section, including provisions relating to municipality  
15 self-insured benefit plans.

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

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.