

AN ACT concerning insurance.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Insurance Code is amended by changing Sections 143, 356z.12, and 1202 as follows:

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

Sec. 143. Policy forms.

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

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

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

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

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

policy.

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

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

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

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

(215 ILCS 5/356z.12)

Sec. 356z.12. Dependent coverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) upon application or enrollment;

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

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

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

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

Sec. 1202. Duties. The Director shall:

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

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

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

and credited to the account of the Department of Insurance;

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

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