



Sen. William R. Haine

Filed: 3/28/2006

09400SB0916sam001

LRB094 04524 AMC 57770 a

1 AMENDMENT TO SENATE BILL 916

2 AMENDMENT NO. _____. Amend Senate Bill 916 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 adding Section 368f as follows:

6 (215 ILCS 5/368f new)

7 Sec. 368f. Military service member insurance
8 reinstatement.

9 (a) No Illinois resident activated for military service and
10 no spouse or dependent of the resident who becomes eligible for
11 a federal government-sponsored health insurance program,
12 including the TriCare program providing coverage for civilian
13 dependents of military personnel, as a result of the activation
14 shall be denied reinstatement into the same individual health
15 insurance coverage with the health insurer that the resident
16 lapsed as a result of activation or becoming covered by the
17 federal government-sponsored health insurance program. The
18 resident shall have the right to reinstatement in the same
19 individual health insurance coverage without medical
20 underwriting, subject to payment of the current premium charged
21 to other persons of the same age and gender that are covered
22 under the same individual health coverage. Except in the case
23 of birth or adoption that occurs during the period of
24 activation, reinstatement must be into the same coverage type

1 as the resident held prior to lapsing the individual health
2 insurance coverage and at the same or, at the option of the
3 resident, higher deductible level. The reinstatement rights
4 provided under this subsection (a) are not available to a
5 resident or dependents if the activated person is discharged
6 from the military under other than honorable conditions.

7 (b) The health insurer with which the reinstatement is
8 being requested must receive a request for reinstatement no
9 later than 63 days following the later of (i) deactivation or
10 (ii) loss of coverage under the federal government-sponsored
11 health insurance program. The health insurer may request proof
12 of loss of coverage and the timing of the loss of coverage of
13 the government-sponsored coverage in order to determine
14 eligibility for reinstatement into the individual coverage.
15 The effective date of the reinstatement of individual health
16 coverage shall be the first of the month following receipt of
17 the notice requesting reinstatement.

18 (c) All insurers must provide written notice to the
19 policyholder of individual health coverage of the rights
20 described in subsection (a) of this Section. In lieu of the
21 inclusion of the notice in the individual health insurance
22 policy, an insurance company may satisfy the notification
23 requirement by providing a single written notice:

24 (1) in conjunction with the enrollment process for a
25 policyholder initially enrolling in the individual
26 coverage on or after the effective date of this amendatory
27 Act of the 94th General Assembly; or

28 (2) by mailing written notice to policyholders whose
29 coverage was effective prior to the effective date of this
30 amendatory Act of the 94th General Assembly no later than
31 90 days following the effective date of this amendatory Act
32 of the 94th General Assembly.

33 (d) The provisions of subsection (a) of this Section do not
34 apply to any policy or certificate providing coverage for any

1 specified disease, specified accident or accident-only
2 coverage, credit, dental, disability income, hospital
3 indemnity, long-term care, Medicare supplement, vision care,
4 or short-term nonrenewable health policy or other
5 limited-benefit supplemental insurance, or any coverage issued
6 as a supplement to any liability insurance, workers'
7 compensation or similar insurance, or any insurance under which
8 benefits are payable with or without regard to fault, whether
9 written on a group, blanket, or individual basis.

10 (e) Nothing in this Section shall require an insurer to
11 reinstate the resident if the insurer requires residency in an
12 enrollment area and those residency requirements are not met
13 after deactivation or loss of coverage under the
14 government-sponsored health insurance program.

15 (f) All terms, conditions, and limitations of the
16 individual coverage into which reinstatement is made apply
17 equally to all insureds enrolled in the coverage.

18 (g) The Secretary may adopt rules as may be necessary to
19 carry out the provisions of this Section.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."