

HB2478



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2478

Introduced 2/18/2015, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

215 ILCS 5/367f

from Ch. 73, par. 979f

Amends the Illinois Insurance Code. Makes a technical change in a Section concerning the firemen's continuance privilege.

LRB099 07609 JLS 27739 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 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 ~~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.

23 No policy of group accident and health insurance under
24 which firemen employed by a municipality are insured for their
25 individual benefit shall be issued or delivered in this State
26 to any municipality unless such group policy provides for the

1 election of continued group insurance coverage for the
2 retirement or disability period of each fireman who is insured
3 under the provisions of the group policy on the day immediately
4 preceding the day on which the retirement or disability period
5 of such fireman begins. So long as any required premiums for
6 continued group insurance coverage are paid in accordance with
7 the provisions of the group policy, an election made pursuant
8 to this Section shall provide continued group insurance
9 coverage for a fireman throughout the retirement or disability
10 period of the fireman and, unless the fireman otherwise elects
11 and subject to any other provisions of the group policy which
12 relate either to the provision or to the termination of
13 dependents' coverage and which are not inconsistent with this
14 Section, for any dependents of the fireman who are insured
15 under the group policy on the day immediately preceding the day
16 on which the retirement or disability period of the fireman
17 begins; provided, however, that when such continued group
18 insurance coverage is in effect with respect to a fireman on
19 the date of the fireman's death but the retirement or
20 disability period of the fireman does not end with such
21 fireman's death, then the deceased fireman's surviving spouse
22 upon whose death or remarriage such retirement or disability
23 period will end shall be entitled, without further election and
24 upon payment of any required premiums in accordance with the
25 provisions of the group policy, to maintain such continued
26 group insurance coverage in effect until the end of such

1 retirement or disability period. Continued group insurance
2 coverage shall be provided in accordance with this Section at
3 the same premium rate from time to time charged for equivalent
4 coverage provided under the group policy with respect to
5 covered firemen whose retirement or disability period has not
6 begun, and no distinction or discrimination in the amount or
7 rate of premiums or in any waiver of premium or other benefit
8 provision shall be made between continued group insurance
9 coverage elected pursuant to this Section and equivalent
10 coverage provided to firemen under the group policy other than
11 pursuant to the provisions of this Section; provided that no
12 municipality shall be required by reason of any provision of
13 this Section to pay any group insurance premium other than one
14 that may be negotiated in a collective bargaining agreement. If
15 a person electing continued coverage under this Section becomes
16 eligible for medicare coverage, benefits under the group policy
17 may continue as a supplement to the medicare coverage upon
18 payment of any required premiums to maintain the benefits of
19 the group policy as supplemental coverage.

20 Within 15 days of the beginning of the retirement or
21 disability period of any fireman entitled to elect continued
22 group insurance coverage under any group policy affected by
23 this Section, the municipality last employing such fireman
24 shall give written notice of such beginning by certified mail,
25 return receipt requested to the insurance company issuing such
26 policy. The notice shall include the fireman's name and last

1 known place of residence and the beginning date of the
2 fireman's retirement or disability period.

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

20 If the fireman elects to continue coverage, it shall be the
21 obligation of the fireman to pay the monthly premium directly
22 to the municipality which shall forward it to the insurance
23 company issuing the group insurance policy, or as otherwise
24 directed by the insurance company; provided, however, that the
25 fireman shall be entitled to designate on the statement of
26 election required to be filed with the insurance company that

1 the total monthly premium, or such portion thereof as is not
2 contributed by a municipality, be deducted by a Firefighter's
3 Pension Fund from any monthly pension payment otherwise payable
4 to or on behalf of the fireman pursuant to Article 4 of the
5 Illinois Pension Code, and be remitted by such Pension Fund to
6 the insurance company. The portion, if any, of the monthly
7 premium contributed by a municipality for such continued group
8 insurance coverage shall be paid by the municipality directly
9 to the insurance company issuing the group insurance policy, or
10 as otherwise directed by the insurance company. Such continued
11 group insurance coverage shall relate back to the beginning of
12 the fireman's retirement or disability period.

13 The amendment, renewal or extension of any group insurance
14 policy affected by this Section shall be deemed to be the
15 issuance of a new policy of insurance for purposes of this
16 Section.

17 In the event that a municipality makes a program of
18 accident, health, hospital or medical benefits available to its
19 firemen through self-insurance, or by participation in a pool
20 or reciprocal insurer, or by contract in a form other than a
21 policy of group insurance with one or more medical service
22 plans, health care service corporations, health maintenance
23 organizations, or any other professional corporations or plans
24 under which health care or reimbursement for the costs thereof
25 is provided, whether the cost of such benefits is borne by the
26 municipality or the firemen or both, such firemen and their

1 surviving spouses shall have the same right to elect continued
2 coverage under such program of benefits as they would have if
3 such benefits were provided by a policy of group accident and
4 health insurance. In such cases, the notice of right to elect
5 continued coverage shall be sent by the municipality; the
6 statement of election shall be sent to the municipality; and
7 references to the required premium shall refer to that portion
8 of the cost of such benefits which is not borne by the
9 municipality, either voluntarily or pursuant to the provisions
10 of a collective bargaining agreement. In the case of a
11 municipality providing such benefits through self-insurance or
12 participation in a pool or reciprocal insurer, the right to
13 elect continued coverage which is provided by this paragraph
14 shall be implemented and made available to the firemen of the
15 municipality and qualifying surviving spouses not later than
16 July 1, 1985.

17 The amendment, renewal or extension of any such contract in
18 a form other than a policy of group insurance policy shall be
19 deemed the formation of a new contract for the purposes of this
20 Section.

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

23 Pursuant to paragraphs (h) and (i) of Section 6 of Article
24 VII of the Illinois Constitution, this Section specifically
25 denies and limits the exercise by a home rule unit of any power
26 which is inconsistent with this Section and all existing laws

1 and ordinances which are inconsistent with this Section are
2 hereby superseded. This Section does not preempt the concurrent
3 exercise by home rule units of powers consistent herewith.

4 The Division of Insurance of the Department of Financial
5 and Professional Regulation shall enforce the provisions of
6 this Section, including provisions relating to municipality
7 self-insured benefit plans.

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