

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

31 (b) The health insurer with which the reinstatement is
32 being requested must receive a request for reinstatement no

1 later than 63 days following the later of (i) deactivation or
2 (ii) loss of coverage under the federal government-sponsored
3 health insurance program. The health insurer may request proof
4 of loss of coverage and the timing of the loss of coverage of
5 the government-sponsored coverage in order to determine
6 eligibility for reinstatement into the individual coverage.
7 The effective date of the reinstatement of individual health
8 coverage shall be the first of the month following receipt of
9 the notice requesting reinstatement.

10 (c) All insurers must provide written notice to the
11 policyholder of individual health coverage of the rights
12 described in subsection (a) of this Section. In lieu of the
13 inclusion of the notice in the individual health insurance
14 policy, an insurance company may satisfy the notification
15 requirement by providing a single written notice:

16 (1) in conjunction with the enrollment process for a
17 policyholder initially enrolling in the individual
18 coverage on or after the effective date of this amendatory
19 Act of the 94th General Assembly; or

20 (2) by mailing written notice to policyholders whose
21 coverage was effective prior to the effective date of this
22 amendatory Act of the 94th General Assembly no later than
23 90 days following the effective date of this amendatory Act
24 of the 94th General Assembly.

25 (d) The provisions of subsection (a) of this Section do not
26 apply to any policy or certificate providing coverage for any
27 specified disease, specified accident or accident-only
28 coverage, credit, dental, disability income, hospital
29 indemnity, long-term care, Medicare supplement, vision care,
30 or short-term nonrenewable health policy or other
31 limited-benefit supplemental insurance, or any coverage issued
32 as a supplement to any liability insurance, workers'
33 compensation or similar insurance, or any insurance under which
34 benefits are payable with or without regard to fault, whether
35 written on a group, blanket, or individual basis.

36 (e) Nothing in this Section shall require an insurer to

1 reinstate the resident if the insurer requires residency in an
2 enrollment area and those residency requirements are not met
3 after deactivation or loss of coverage under the
4 government-sponsored health insurance program.

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

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

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.