

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
24 4-105a of the Illinois Pension Code, (ii) the fireman
25 retires from active service as a fireman with an attained
26 age and accumulated creditable service which together
27 qualify the fireman for immediate receipt of retirement
28 pension benefits under Section 4-109 of the Illinois
29 Pension Code, or (iii) the fireman's disability is
30 established under Section 4-112 of the Illinois Pension
31 Code; and

32 b. which ends on the first to occur of any of the

1 following events, to wit: (i) the fireman's reinstatement
2 or reentry into active service on the municipality's fire
3 department as provided for under Article 4 of the Illinois
4 Pension Code, (ii) the fireman's exercise of any refund
5 option available under Section 4-116 of the Illinois
6 Pension Code, (iii) the fireman's loss pursuant to Section
7 4-138 of the Illinois Pension Code of any benefits provided
8 for in Article 4 of that Code, or (iv) the fireman's death
9 or -- if at the time of the fireman's death the fireman is
10 survived by a spouse who, in that capacity, is entitled to
11 receive a surviving spouse's monthly pension pursuant to
12 Article 4 of the Illinois Pension Code -- then the death or
13 remarriage of that spouse.

14 No policy of group accident and health insurance under
15 which firemen employed by a municipality are insured for their
16 individual benefit shall be issued or delivered in this State
17 to any municipality unless such group policy provides for the
18 election of continued group insurance coverage for the
19 retirement or disability period of each fireman who is insured
20 under the provisions of the group policy on the day immediately
21 preceding the day on which the retirement or disability period
22 of such fireman begins. So long as any required premiums for
23 continued group insurance coverage are paid in accordance with
24 the provisions of the group policy, an election made pursuant
25 to this Section shall provide continued group insurance
26 coverage for a fireman throughout the retirement or disability
27 period of the fireman and, unless the fireman otherwise elects
28 and subject to any other provisions of the group policy which
29 relate either to the provision or to the termination of
30 dependents' coverage and which are not inconsistent with this
31 Section, for any dependents of the fireman who are insured
32 under the group policy on the day immediately preceding the day
33 on which the retirement or disability period of the fireman
34 begins; provided, however, that when such continued group
35 insurance coverage is in effect with respect to a fireman on
36 the date of the fireman's death but the retirement or

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

27 Within 15 days of the beginning of the retirement or
28 disability period of any fireman entitled to elect continued
29 group insurance coverage under any group policy affected by
30 this Section, the municipality last employing such fireman
31 shall give written notice of such beginning by certified mail,
32 return receipt requested to the insurance company issuing such
33 policy. The notice shall include the fireman's name and last
34 known place of residence and the beginning date of the
35 fireman's retirement or disability period.

36 Within 15 days of the date of receipt of such notice from

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

17 If the fireman elects to continue coverage, it shall be the
18 obligation of the fireman to pay the monthly premium directly
19 to the municipality which shall forward it to the insurance
20 company issuing the group insurance policy, or as otherwise
21 directed by the insurance company; provided, however, that the
22 fireman shall be entitled to designate on the statement of
23 election required to be filed with the insurance company that
24 the total monthly premium, or such portion thereof as is not
25 contributed by a municipality, be deducted by a Firefighter's
26 Pension Fund from any monthly pension payment otherwise payable
27 to or on behalf of the fireman pursuant to Article 4 of the
28 Illinois Pension Code, and be remitted by such Pension Fund to
29 the insurance company. The portion, if any, of the monthly
30 premium contributed by a municipality for such continued group
31 insurance coverage shall be paid by the municipality directly
32 to the insurance company issuing the group insurance policy, or
33 as otherwise directed by the insurance company. Such continued
34 group insurance coverage shall relate back to the beginning of
35 the fireman's retirement or disability period.

36 The amendment, renewal or extension of any group insurance

1 policy affected by this Section shall be deemed to be the
2 issuance of a new policy of insurance for purposes of this
3 Section.

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

30 The amendment, renewal or extension of any such contract in
31 a form other than a policy of group insurance policy shall be
32 deemed the formation of a new contract for the purposes of this
33 Section.

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

36 Pursuant to paragraphs (h) and (i) of Section 6 of Article

1 VII of the Illinois Constitution, this Section specifically
2 denies and limits the exercise by a home rule unit of any power
3 which is inconsistent with this Section and all existing laws
4 and ordinances which are inconsistent with this Section are
5 hereby superseded. This Section does not preempt the concurrent
6 exercise by home rule units of powers consistent herewith.

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

11 (Source: P.A. 86-1444.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.