



**Illinois Department of Financial and Professional Regulation**  
**Division of Insurance**

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Director  
Division of Insurance

April 2, 2008

To: COMPANY PRESIDENTS  
ALL COMPANIES WRITING MEDICARE SUPPLEMENT POLICIES

From: Michael T. McRaith, Director

Re: (CB #2008-02) Public Act 095-0436 - Medicare Supplement Under 65  
Disabled

Reply

To: William McAndrew, Assistant Deputy Director  
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**REQUIREMENTS OF PUBLIC ACT 095-0436**

With the passage of Public Act 095-0436 (SB 0873), effective June 1, 2008, all companies writing Medicare supplement insurance in Illinois must guarantee the issuance of all Medicare supplement policies offered in Illinois to persons under the age of 65 who become eligible for Medicare by reason of disability.

Companies may not deny coverage if the consumer applies for a Medicare supplement policy within six (6) months of enrolling for benefits under Medicare Part B.

In addition, companies may not deny coverage for persons who are retroactively enrolled in Medicare Part B due to a retroactive eligibility decision made by the Social Security Administration if the application for the Medicare supplement policy is submitted within six (6) months of the person being notified of the retroactive eligibility.

Further, guarantee issue rights currently provided to persons over 65 that lose certain types of health coverage (employer group, Medicare advantage, Medicare supplement) must be provided to persons under the age of 65 that become eligible for Medicare by reason of disability.

All rights granted to persons under the age of 65 by P.A. 095-0436 must be provided for six (6) months after the effective date of the Act (until December 1, 2008) to any person who had enrolled for benefits under Medicare Part B prior to the Act who otherwise would have been eligible for open enrollment.

For policies issued to persons under 65, companies may not charge rates for Medicare supplement insurance that exceed the issuer's highest rate on the current rate schedule filed with the Division of Insurance for persons 65 and older.

### **RATE FILING REQUIREMENTS**

In order to comply with the rating requirements contained in the Act, companies must verify that the rates applied to persons under age 65 are no higher than the highest company rate currently on file at the Division. Companies are free to set the under 65 rate at any rate currently on file (i.e. they do not need to set the under 65 rate at the highest rate on file). However, they must verify the rate they charge for persons under 65, by filing the under 65 rate with the Department. This filing must be received by the Division prior to June 1, 2008 in order for us to ensure company compliance with the Act. This compliance filing does not need to be accompanied by an actuarial memorandum.

In addition to the compliance filing cited in the paragraph above, companies must continue to file their Medicare supplement rates annually with the Division on the company's current schedule for such filings. Future annual filings must continue to specify the rates charged for persons under age 65 and verify that rates charged to those persons are no higher than the highest rate charged to persons 65 or older.