

215 ILCS 5/367.2-5 Dependent Child Continuation

Sec. 367.2-5. Dependent child continuation privilege; group contracts.

- (a) No policy of group accident or health insurance, nor any certificate thereunder shall be amended, renewed, delivered, or issued for delivery in this State after July 1, 2004, unless the policy provides for a continuation of the existing insurance benefits for an employee's dependent child who is insured under the provisions of that group policy or certificate in the event of the death of the employee and the child is not eligible for coverage as a dependent under the provisions of Section 367.2 or the dependent child has attained the limiting age under the policy.
- (b) In the event of the death of the employee, if continuation coverage is desired, the dependent child or a responsible adult acting on behalf of the dependent child shall give the employer or the insurer written notice of the death of employee within 30 days of the date the coverage terminates. The employer, within 15 days of receipt of the notice, shall give written notice to the insurance company issuing the policy of the death of the employee and the dependent child's residence. The employer shall immediately send a copy of the notice to the dependent child or responsible adult at the dependent child's residence.
- (c) In the event of the dependent child attaining the limiting age under the policy, if continuation coverage is desired, the dependent child shall give the employer or the insurer written notice of the attainment of the limiting age within 30 days of the date the coverage terminates. The employer, within 15 days of receipt of the notice, shall give written notice to the insurance company issuing the policy of the attainment of the limiting age by the dependent child and of the dependent child's residence.
- (d) Within 30 days after the date of receipt of a notice from the employer, dependent child, or responsible adult acting on behalf of the dependent child, or of the initiation of a new group policy, the insurance company, by certified mail, return receipt requested, shall notify the dependent child or responsible adult at the dependent child's residence that the policy may be continued for the dependent child. The notice shall include:
 - (1) a form for election to continue the insurance coverage;
 - (2) the amount of periodic premiums to be charged for continuation coverage and the method and place of payment; and
 - (3) instructions for returning the election form within 30 days after the date it is received from the insurance company.

Failure of the dependent child or the responsible adult acting on behalf of the dependent child to exercise the election to continue insurance coverage by notifying the insurance company in writing within such 30 day period shall terminate the continuation of benefits and the right to continuation.

If the insurance company fails to notify the dependent child or responsible adult acting on behalf of the dependent child as provided for in this subsection (d), all premiums shall be waived from the date the notice was required until notice was sent, and the benefits shall continue under the terms and provisions of the policy, from the date the notice was required until the notice was sent, notwithstanding any other provision hereof, except where the benefits in existence at the time the company's notice was to be sent pursuant to this subsection (d) are terminated as to all employees.

- (e) The monthly premium for continuation shall be computed as follows:
 - (1) an amount, if any, that would be charged an employee if the dependent child were a current employee of the employer, plus;
 - (2) an amount, if any, that the employer would

contribute toward the premium if the dependent child were a current employee.

Failure to pay the initial monthly premium within 30 days after the date of receipt of notice required in subsection (d) of this Section terminates the continuation benefits and the right to continuation benefits.

Continuation coverage provided under this Act shall terminate upon the earliest to happen of the following:

- (1) the failure to pay premiums when due, including any grace period allowed by the policy;
- (2) when coverage would terminate under the terms of the existing policy if the dependent child was still an eligible dependent of the employee;
- (3) the date on which the dependent child first becomes, after the date of election, an insured employee under any other group health plan; or
- (4) the expiration of 2 years from the date continuation coverage began.

Upon the termination of continuation coverage, the dependent child shall be entitled to convert the coverage to an individual policy.

- (f) The renewal, amendment, or extension of any group policy affected by this Section shall be deemed to be delivery or issuance for delivery of a new policy or contract of insurance in this State.
- (g) If (1) the policy is cancelled, and (2) another insurance company contracts to provide group health and accident insurance to the employer, and (3) continuation coverage is in effect for the dependent child at the time of cancellation, and (4) the employee is or would have been included under the new group policy, then the new insurer must also offer continuation coverage to the dependent child under the same terms and conditions as contained in this Section.
- (h) This Section shall not limit the right of any dependent child to exercise the privilege to convert to an individual policy as contained in this Code.
- (i) No person who obtains coverage under this Section shall be required to pay a rate greater than that applicable to any employee or member covered under that group.

(Source: P.A. 93-477, eff. 1-1-04.)