

**TITLE 50: INSURANCE**  
**PART 5421 HEALTH MAINTENANCE ORGANIZATION**  
**CHAPTER I: DEPARTMENT OF INSURANCE**  
**SECTION 5421.110 REQUIREMENTS FOR GROUP CONTRACTS, EVIDENCES OF COVERAGE AND**

**Section 5421.110 Requirements for Group Contracts, Evidences of Coverage and Individual Contracts**

- v) Conversion of coverage.
  - 1) The group contract and evidence of coverage shall contain a conversion provision which provides that each enrollee has the right to convert coverage to an individual or group HMO contract in the following circumstances:
    - A) upon cancellation of eligibility for coverage under a group contract,
    - B) upon cancellation of the group contract, or
    - C) upon non-renewal of the group contract.
  - 2) The conversion contract shall cover the enrollee and his/her eligible dependents who were covered by the group contract on the date of cancellation or non-renewal of coverage. To obtain the conversion contract, an enrollee shall submit a written application and the application premium payment within 31 days after the date the enrollee's coverage is cancelled.
  - 3) The HMO may require copayments and deductibles under a conversion contract that differ from the group contract.
  - 4) A conversion contract shall not be required to be made available if:
    - A) The cancellation of the enrollee's coverage occurred for any of the reasons listed in Section 5421.111(a) of this Part; or
    - B) The enrollee is covered by or is eligible for benefits under Title XVIII of the United States Social Security Act; or
    - C) The enrollee is covered by similar hospital, medical, or surgical benefits under state or federal law; or
    - D) The enrollee is covered by similar hospital, medical, or surgical benefits under any arrangement of coverage for individuals in a group whether on an insured or uninsured basis; or
    - E) The enrollee is covered for similar benefits through individual coverage; or
    - F) The enrollee has not been continuously covered during the three-month period immediately preceding cancellation of that person's coverage; or
    - G) The enrollee has moved outside of the service area of the health maintenance organization; or
    - H) The cancellation of the enrollee's coverage occurred in relation to the HMO being placed in rehabilitation or liquidation proceedings pursuant to Section 5-6 of the Act; or

- l) The group contract has been discontinued in its entirety and there is a succeeding carrier providing coverage to the group in its entirety.
- 5) Benefits or coverage shall be considered "similar" if coverage is provided for at least 12 months under comprehensive type medical coverage.
- 6) Notwithstanding subsection (v)(4)(C), (D), (E), or (I) above, if the enrollee or any of his or her covered dependents has a pre-existing condition, and the enrollee is covered by similar hospital, medical or surgical benefits under any arrangement of coverage for individuals in a group, whether on an insured or uninsured basis, and such coverage does not cover pre-existing conditions, then such enrollee may continue conversion coverage for the individual with such pre-existing condition until the enrollee's or dependent's pre-existing condition is covered under the succeeding plan.
- 7) The conversion contract shall provide as a minimum to its enrollees basic health care services.
- 8) The conversion contract shall begin coverage of the enrollee and any dependents formerly covered under the group contract on the date of termination from the group or the former individual contract.
- 9) Coverage shall be provided without requiring evidence of insurability and shall not impose any pre-existing condition limitations or exclusions other than those remaining unexpired under the contract from which conversion is exercised.
- 10) Prior to the issuance of a conversion contract, the enrollee must be notified in writing that the election of any conversion contract will terminate the individual's federal eligibility for coverage under the Illinois Comprehensive Health Insurance Plan.