

215 ILCS 5/367i Discontinuance and Replacement

Sec. 367i. Discontinuance and replacement of coverage. Group health insurance policies issued, amended, delivered or renewed on and after the effective date of this amendatory Act of 1989, shall provide a reasonable extension of benefits in the event of total disability on the date the policy is discontinued for any reason.

Any applicable extension of benefits or accrued liability shall be described in the policy and group certificate. Benefits payable during any extension of benefits may be subject to the policy's regular benefit limits.

Any insurer discontinuing a group health insurance policy shall provide to the policyholder for delivery to covered employees or members a notice as to the date such discontinuation is to be effective and urging them to refer to their group certificates to determine what contract rights, if any, are available to them.

In the event a discontinued policy is replaced by another group policy, the prior insurer or plan shall be liable only to the extent of its accrued liabilities and extension of benefits. Persons eligible for coverage under the succeeding insurer's plan shall include all employees and dependents covered under the prior insurer's plan, including disabled individuals covered under the prior plan but absent from work on the effective date and thereafter. The prior insurer shall provide extension of benefits for an insured's disabling condition when no coverage is available under the succeeding insurer's plan whether due to the absence of coverage in the contract or lack of required creditable coverage for a preexisting condition.

The Director shall promulgate reasonable rules as necessary to carry out this Section.

(Source: P.A. 91-549, eff. 8-14-99.)