



# Illinois Insurance Facts

Illinois Department of Financial and Professional Regulation  
Division of Insurance

## Dependent Coverage

Revised  
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Parents often want or need to elect dependent coverage for their children.

Effective beginning June 1, 2009, all individual and group health insurance and HMO contracts must abide by the provisions of [Public Act 95-0958](#), a new Illinois law (215 ILCS 356z.12) that gives parents with insurance policies that cover dependents the right to elect coverage for qualifying dependents up to age 26 and up to age 30 for military veteran dependents. Here are the basic facts about the new law.

### What is the Effective Date of the Law?

The law will be effective beginning June 1, 2009. Any policy issued, delivered or renewed on or after that date must include coverage required by the new law.

### Which Health Insurance Policies Must Offer Dependent Coverage?

All individual and group health insurance policies and HMO contracts (including dental and vision) that offer dependent coverage must abide by the new law. Health coverage provided to state (5 ILCS 375/6.11), county (55 ILCS 5/5-1069.3), and municipal (65 ILCS 5/10-4-2.3) employees (and employees subject to the Schools Code (105 ILCS 5/1-1 *et seq.*)) must also meet the new dependent coverage requirements.

**NOTE:** This law does not require employers to offer health insurance benefits or to offer dependent coverage benefits to employees. The law does not require individual policies to include dependent coverage.

### The Illinois Dependent Coverage Law Does Not Apply to:

- Individual or group health insurance policies or HMO contracts that do not include dependent coverage.
- Self-insured, non-public employers.
- Self-insured health and welfare plans, such as union plans.
- Insurance policies or trusts issued in other states.

**NOTE:** For HMOs, the law does apply to contracts written outside of Illinois if the HMO member is a resident of Illinois and the HMO has established a provider network in Illinois. To determine if your HMO coverage provides Illinois dependent coverage rights, contact the HMO or check your certificate of coverage.

### Who is Eligible for Coverage Under the Law?

**Non-Military Dependents** who are not married, under the age of 26, and whose parent's policy provides for dependent coverage.

**Military Veteran Dependents** who are Illinois residents, not married, under the age of 30, and whose parent's policy provides for dependent coverage.

. To be eligible, veterans must have:

- o Served in the active or reserve components of the U.S. Armed Forces, including the National Guard;
- o Received a release or discharge other than a dishonorable discharge; and
- o Submitted proof of service using a DD2-14 (Member 4 or 6) form, otherwise known as a "Certificate of Release or Discharge from Active Duty." This form is issued by the federal government to all veterans. For more information on how to obtain a copy of a DD2-14, the veteran can call the Illinois Department of Veterans' Affairs at 1-800-437-9824 or the U.S. Department of Veterans' Affairs at 1-800-827-1000.

## **When Can I Enroll My Dependents?**

### **Initial 90-Day Enrollment Period**

All policies must offer an initial 90-day enrollment period to eligible dependents. The initial enrollment period requirement begins on June 1, 2009; however, your initial enrollment period will vary depending on the date your policy is issued or renewed. For example, if your policy renews every year on January 1st, the initial enrollment period for your policy will begin on January 1, 2010. Check with your group or your insurer for the date on which your initial 90-day enrollment period begins. During the initial 90-day enrollment period, requirements for creditable coverage, continuous coverage or breaks in coverage may not be applied.

The initial 90-Day Enrollment Period will only take place between June 1, 2009 and May 31, 2010.

### **Adding Coverage after the Initial 90-Day Enrollment Period**

**Group policies:** Under HIPAA, an eligible dependent may be added to a group policy if a special enrollment event occurs, such as loss of other coverage. Please see [Facts about HIPAA – Preexisting Conditions](#) for more information regarding Special Enrollment. The dependent must be added within 30 days of the event that qualified him or her for special enrollment.

Additionally, the insurance policy must provide for addition of eligible dependents during the annual open enrollment or annual renewal of the group policy. The policy may require that the eligible dependent have a period of continuous coverage of 90 days or more and not have a gap in coverage of more than 63 days.

**Individual policies:** The insurance policy must provide for the addition of eligible dependents at the anniversary date of the individual policy. The policy may require that the eligible dependent have a period of continuous coverage of 90 days or more and not have a gap in coverage for more than 63 days.

### **Can the Insurer Decline Coverage for Eligible Dependents Due to Health Conditions?**

**No.**

During the **initial 90-day enrollment**, no policy (group or individual) may decline coverage to an eligible dependent due to age, health status, or enrollment in an educational institution, but preexisting condition limitations may be applied if creditable coverage has not been established.

Other non-related requirements may apply, such as financial dependency upon the parent(s) or having the same legal mailing address as the parent(s).

During the **annual open enrollment** or at **renewal** of the policy, the insurer may not decline coverage to an eligible dependent due to age, health status or enrollment in an educational institution. However, the insurer may require 90 days of continuous coverage without a break in coverage of more than 63 days. Additionally, other non-related requirements may apply, such as financial dependency upon the parent(s) and having the same legal mailing address as the parent(s). No policy (group or individual) may limit coverage of pre-existing conditions for eligible dependents enrolled during annual open enrollment or renewal.

### **Can My Eligible Dependents Be Declined Coverage When I First Buy An Individual Policy?**

The parent must meet the company's underwriting guidelines in order to receive an offer for individual coverage. If the individual policy provides dependent coverage, eligible dependents (up to age 26 for non-military dependents and up to age 30 for veteran military dependents) must be offered coverage regardless of health status or enrollment in an educational institution. However, the insurer may require 90 days of continuous coverage without a break in coverage of more than 63 days. Additionally, other non-related requirements may apply, such as financial dependency upon the parent(s) and having the same legal mailing address as the parent(s).

### **Can Insurers Deny Claims for Pre-Existing Conditions?**

Dependents added during the initial 90-day enrollment period may be subject to pre-existing condition limitations contained in the policy. Group policies must apply creditable coverage as defined under HIPPA to any pre-existing condition waiting period. Individual policy pre-existing condition waiting periods can last up to two years and need not be reduced based on a dependent's history of continuous creditable coverage.

Dependents added during subsequent annual open enrollment periods or at the policy anniversary date may not be subjected to pre-existing condition limitations.

### **How Much Will Coverage Cost?**

For employer group plans, the new law states that employers are not required to pay the cost of dependent coverage. You may be responsible for the full cost of the coverage.

For other group plans and individual plans – Illinois law does not restrict the rates insurance companies charge for these plans. Parents who seek to add dependents to these policies may find that the insurance company offer is unaffordable.

## **How Can I Cover My Dependents Until My Initial 90 Day Enrollment Period?**

If you have employer based group coverage and your dependent is terminated due to attainment of the maximum age, the policy should offer federal or state continuation. You should ask your employer for your dependent's continuation rights.

If you have an individual policy and your dependent is terminated due to attainment of the maximum age, you should seek coverage on the open market. If your dependent has a health condition that precludes coverage on the open market, please contact the Comprehensive Health Insurance Plan at [www.chip.state.il.us](http://www.chip.state.il.us) or 866-851-2751.

### **For More Information**

Call the Division of Insurance Consumer Services Section at (312) 814-2427 or our Office of Consumer Health Insurance toll free at (877) 527-9431 or visit us on our website at [www.idfpr.com/doi/default2.asp](http://www.idfpr.com/doi/default2.asp)

### **Related Information**

[HIPAA – Pre-existing Conditions](#)