



Labor Committee

Adopted in House Comm. on May 14, 2008

09500SB2188ham001

LRB095 14707 AMC 50846 a

1 AMENDMENT TO SENATE BILL 2188

2 AMENDMENT NO. _____. Amend Senate Bill 2188 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Employee Leasing Company Act is amended by
5 changing Sections 15 and 30 as follows:

6 (215 ILCS 113/15)

7 Sec. 15. Definitions. In this Act:

8 "Department" means the Illinois Department of Insurance.

9 "Employee leasing arrangement" means a contractual
10 arrangement, including long-term temporary arrangements
11 whereby a lessor obligates itself to perform specified employer
12 responsibilities as to leased employees. The contract shall
13 specifically identify either the employee leasing company or
14 the client responsible for including the securing of workers'
15 compensation insurance for leased employees. For purposes of
16 this Act, "employee leasing arrangement" does not include

1 "temporary help arrangement".

2 "Leased employee" or "worker" means a person performing
3 services for a lessee under an employee leasing arrangement.

4 "Lessee" or "client company" means an entity that obtains
5 any of its work force from another entity through an employee
6 leasing arrangement.

7 "Lessor" or "employee leasing company" means an entity that
8 leases any of its workers to a lessee through an employee
9 leasing arrangement.

10 "Long-term temporary arrangement" means an arrangement
11 where one company leases all or a majority number of workers
12 from another for a period in excess of 6 months or consecutive
13 periods equal to or greater than one year.

14 "Residual market mechanism" means the residual market
15 mechanism as defined in Section 468 of the Illinois Insurance
16 Code.

17 "Temporary help arrangement" means a service whereby an
18 organization hires its own employees and assigns them to
19 clients for a finite time period to support or supplement the
20 client's work force in special work situations such as, but not
21 limited to, employee absences, temporary skill shortages,
22 seasonal workloads, and special assignments and projects.

23 Notwithstanding any other rulemaking authority that may
24 exist, neither the Governor nor any agency or agency head under
25 the jurisdiction of the Governor has any authority to make or
26 promulgate rules to implement or enforce the provisions of this

1 amendatory Act of the 95th General Assembly. If, however, the
2 Governor believes that rules are necessary to implement or
3 enforce the provisions of this amendatory Act of the 95th
4 General Assembly, the Governor may suggest rules to the General
5 Assembly by filing them with the Clerk of the House and the
6 Secretary of the Senate and by requesting that the General
7 Assembly authorize such rulemaking by law, enact those
8 suggested rules into law, or take any other appropriate action
9 in the General Assembly's discretion. Nothing contained in this
10 amendatory Act of the 95th General Assembly shall be
11 interpreted to grant rulemaking authority under any other
12 Illinois statute where such authority is not otherwise
13 explicitly given. For the purposes of this amendatory Act of
14 the 95th General Assembly, "rules" is given the meaning
15 contained in Section 1-70 of the Illinois Administrative
16 Procedure Act, and "agency" and "agency head" are given the
17 meanings contained in Sections 1-20 and 1-25 of the Illinois
18 Administrative Procedure Act to the extent that such
19 definitions apply to agencies or agency heads under the
20 jurisdiction of the Governor.

21 (Source: P.A. 90-499, eff. 1-1-98; 90-794, eff. 8-14-98.)

22 (215 ILCS 113/30)

23 Sec. 30. Responsibility for policy issuance and
24 continuance.

25 (a) When a workers' compensation policy written to cover

1 leased employees is issued to the lessor as the named insured:

2 ~~7~~

3 (1) ~~The~~ the lessee shall be identified thereon by the
4 attachment of an appropriate endorsement indicating that
5 the policy provides coverage solely for leased employees.
6 The endorsement shall, at a minimum, provide for the
7 following:

8 (i) ~~(1)~~ Coverage under the endorsement shall be
9 limited to the named insured's employees leased to the
10 lessees.

11 (ii) ~~(2)~~ The experience of the employees leased to
12 the particular lessee shall be separately maintained
13 by the lessor as provided in Section 25.

14 ~~(b) (Blank)~~.

15 (2) ~~(c)~~ The lessor shall notify the insurer or a
16 licensed rating organization 30 days prior to the effective
17 date of termination or immediately upon notification of
18 cancellation by the lessor of an employee leasing
19 arrangement with the lessee in order to allow sufficient
20 time to calculate an experience modification factor for the
21 lessee.

22 (3) ~~(d)~~ The insurer shall provide proof of workers'
23 compensation insurance to the lessor and to each applicable
24 lessee within 30 days of the coverage being effected or
25 changed.

26 (4) ~~(e)~~ Calculation of a lessor's or lessee's premium

1 shall be done in accordance with the insurer's rating
2 manual filed with the Department.

3 (b) When a workers' compensation policy that covers leased
4 employees is issued to the lessee as the named insured,
5 coverage under the policy shall cover all exposure of the
6 client for both leased and non-leased workers.

7 (c) Where the client is the party responsible for worker's
8 compensation coverage of leased employees under the leasing
9 arrangement, coverage under any policy issued to the lessor as
10 named insured for direct employees of the lessor or for leased
11 employees of the lessor at any other client shall not be
12 extended to the leased employees at the client lessee.

13 (d) Notwithstanding any other rulemaking authority that
14 may exist, neither the Governor nor any agency or agency head
15 under the jurisdiction of the Governor has any authority to
16 make or promulgate rules to implement or enforce the provisions
17 of this amendatory Act of the 95th General Assembly. If,
18 however, the Governor believes that rules are necessary to
19 implement or enforce the provisions of this amendatory Act of
20 the 95th General Assembly, the Governor may suggest rules to
21 the General Assembly by filing them with the Clerk of the House
22 and the Secretary of the Senate and by requesting that the
23 General Assembly authorize such rulemaking by law, enact those
24 suggested rules into law, or take any other appropriate action
25 in the General Assembly's discretion. Nothing contained in this
26 amendatory Act of the 95th General Assembly shall be

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2 Illinois statute where such authority is not otherwise
3 explicitly given. For the purposes of this amendatory Act of
4 the 95th General Assembly, "rules" is given the meaning
5 contained in Section 1-70 of the Illinois Administrative
6 Procedure Act, and "agency" and "agency head" are given the
7 meanings contained in Sections 1-20 and 1-25 of the Illinois
8 Administrative Procedure Act to the extent that such
9 definitions apply to agencies or agency heads under the
10 jurisdiction of the Governor.

11 (Source: P.A. 90-499, eff. 1-1-98; 90-794, eff. 8-14-98.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."