



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1521

Introduced 2/13/2013, by Sen. Heather A. Steans

SYNOPSIS AS INTRODUCED:

215 ILCS 5/462b

from Ch. 73, par. 1065.9b

Amends the Illinois Insurance Code in the Article concerning workers' compensation and employer's liability rates. Provides that if the application of incorrect classifications, payrolls, or any other factors of a rating system results in the payment by an insured of premiums in excess of the premiums that would have been paid utilizing the correct applications of classifications, payrolls, or other factors of a rating system, the insurer shall pay 5% interest on the excessive premium paid from the date of inception of the workers' compensation policy on which the excessive premium was paid through the date on which the insurer refunds the excessive premium paid. Provides that the Director of Insurance shall have the authority to award the interest. Effective immediately.

LRB098 07567 RPM 37638 b

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 462b as follows:

6 (215 ILCS 5/462b) (from Ch. 73, par. 1065.9b)

7 Sec. 462b. Premiums.

8 (a) Insurance companies shall apply correct
9 classifications, payrolls and other factors of a rating system
10 to compute premiums. If the application of incorrect
11 classifications, payrolls or any other factors of a rating
12 system results in the payment by an insured of premiums in
13 excess of the premiums that would have been paid utilizing the
14 correct applications of classifications, payrolls or other
15 factors of a rating system, the insurer shall refund to the
16 insured the excessive premium paid for the period during which
17 the incorrect application of classifications, payrolls or
18 other factors of a rating system were applied. This subsection
19 ~~Section~~ is intended to codify existing law and practice.

20 (b) In addition to the refund under subsection (a), the
21 insurer shall pay 5% interest on the excessive premium paid
22 from the date of inception of the workers' compensation policy
23 on which the excessive premium was paid through the date on

1 which the insurer refunds the excessive premium paid. The
2 Director shall have the authority to award the interest.

3 (Source: P.A. 83-1002.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.