



Sen. John G. Mulroe

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09800SB2339sam002

LRB098 10715 JDS 44552 a

1 AMENDMENT TO SENATE BILL 2339

2 AMENDMENT NO. _____. Amend Senate Bill 2339, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Intergovernmental Cooperation Act is
6 amended by changing Section 6 as follows:

7 (5 ILCS 220/6) (from Ch. 127, par. 746)

8 Sec. 6. Joint self-insurance. An intergovernmental
9 contract may, among other undertakings, authorize public
10 agencies to jointly self-insure and authorize each public
11 agency member of the contract to utilize its funds to pay to a
12 joint insurance pool its costs and reserves to protect, wholly
13 or partially, itself or any public agency member of the
14 contract against liability or loss in the designated insurable
15 area.

16 A joint insurance pool shall have an annual audit performed

1 by an independent certified public accountant and shall file an
2 annual audited financial report with the Director of Insurance
3 no later than 150 days after the end of the pool's immediately
4 preceding fiscal year. The Director of Insurance shall issue
5 rules necessary to implement this audit and report requirement.
6 The rule shall establish the due date for filing the initial
7 annual audited financial report. Within 30 days after January
8 1, 1991, and within 30 days after each January 1 thereafter,
9 public agencies that are jointly self-insured to protect
10 against liability under the Workers' Compensation Act and the
11 Workers' Occupational Diseases Act shall file with the Illinois
12 Workers' Compensation Commission a report indicating an
13 election to self-insure.

14 The joint insurance pool shall also annually file with the
15 Director a statement of actuarial opinion by an independent
16 actuary who is an associate or fellow in a casualty actuarial
17 society that the pool's reserves are in accordance with sound
18 loss-reserving standards and adequate for the payment of
19 claims. This opinion shall be filed no later than 150 days
20 after the end of each fiscal year. The joint insurance pool
21 shall be exempt from filing a statement of actuarial opinion by
22 an independent actuary who is an associate or fellow in a
23 casualty actuarial society that the joint insurance pool's
24 reserves are in accordance with sound loss-reserving standards
25 and payment of claims for the primary level of coverage if the
26 joint insurance pool files with the Director, by the reporting

1 deadline, a statement of actuarial opinion on the joint pool's
2 aggregate coverage, reinsurance, or other similar excess
3 insurance coverage.

4 The Director may assess penalties against a joint insurance
5 pool that fails to comply with the auditing, statement of
6 actuarial opinion, and examination requirements of this
7 Section in an amount equal to \$500 per day for each violation,
8 up to a maximum of \$10,000 for each violation. The Director (or
9 his or her staff) or a Director-selected independent auditor
10 (or actuarial firm) that is not owned or affiliated with an
11 insurance brokerage firm, insurance company, or other
12 insurance industry affiliated entity may examine, as often as
13 the Director deems advisable, the affairs, transactions,
14 accounts, records, and assets and liabilities of each joint
15 insurance pool that fails to comply with this Section. The
16 joint insurance pool shall cooperate fully with the Director's
17 representatives in all evaluations and audits of the joint
18 insurance pool and resolve issues raised in those evaluations
19 and audits. The failure to resolve those issues may constitute
20 a violation of this Section, and may, after notice and an
21 opportunity to be heard, result in the imposition of penalties
22 pursuant to this Section. No sanctions under this Section may
23 become effective until 30 days after the date that a notice of
24 sanctions is delivered by registered or certified mail to the
25 joint insurance pool. The Director shall have the authority to
26 extend the time for filing any statement by any joint insurance

1 pool for reasons that he or she considers good and sufficient.

2 If a joint insurance pool requires a member to submit
3 written notice in order for the member to withdraw from a
4 qualified pool, then the period in which the member must
5 provide the written notice cannot be greater than 120 days,
6 except that this requirement applies only to joint insurance
7 pool agreements entered into, modified, or renewed on or after
8 the effective date of this amendatory Act of the 98th General
9 Assembly.

10 For purposes of this Section, "public agency member" means
11 any public agency defined or created under this Act, any local
12 public entity as defined in Section 1-206 of the Local
13 Governmental and Governmental Employees Tort Immunity Act, and
14 any public agency, authority, instrumentality, council, board,
15 service region, district, unit, bureau, or, commission, or any
16 municipal corporation, college, or university, whether
17 corporate or otherwise, and any other local governmental body
18 or similar entity that is presently existing or created after
19 the effective date of this amendatory Act of the 92nd General
20 Assembly, whether or not specified in this Section. Only public
21 agency members with tax receipts, tax revenues, taxing
22 authority, or other resources sufficient to pay costs and to
23 service debt related to intergovernmental activities described
24 in this Section, or public agency members created by or as part
25 of a public agency with these powers, may enter into contracts
26 or otherwise associate among themselves as permitted in this

1 Section.

2 No joint insurance pool or other intergovernmental
3 cooperative offering health insurance shall interfere with the
4 statutory obligation of any public agency member to bargain
5 over or to reach agreement with a labor organization over a
6 mandatory subject of collective bargaining as those terms are
7 used in the Illinois Public Labor Relations Act. No
8 intergovernmental contract of insurance offering health
9 insurance shall limit the rights or obligations of public
10 agency members to engage in collective bargaining, and it shall
11 be unlawful for a joint insurance pool or other
12 intergovernmental cooperative offering health insurance to
13 discriminate against public agency members or otherwise
14 retaliate against such members for limiting their
15 participation in a joint insurance pool as a result of a
16 collective bargaining agreement.

17 It shall not be considered a violation of this Section for
18 an intergovernmental contract of insurance relating to health
19 insurance coverage, life insurance coverage, or both to permit
20 the pool or cooperative, if a member withdraws employees or
21 officers into a union-sponsored program, to re-price the costs
22 of benefits provided to the continuing employees or officers
23 based upon the same underwriting criteria used by that pool or
24 cooperative in the normal course of its business, but no member
25 shall be expelled from a pool or cooperative if the continuing
26 employees or officers meet the general criteria required of

1 other members.

2 (Source: P.A. 93-721, eff. 1-1-05; 94-685, eff. 11-2-05.)".