



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB6225

Introduced 2/11/2016, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

215 ILCS 113/25
215 ILCS 113/30

Amends the Employee Leasing Company Act. Provides that a lessor that does not provide workers' compensation insurance coverage for leased employees of a lessee under an employee leasing arrangement shall not be subject to certain provisions concerning record keeping and reporting requirements. Provides that either a lessor or lessee may provide workers' compensation insurance coverage for leased employees under an employee leasing arrangement. Provides that when the lessee provides workers' compensation coverage for leased employees under an employee leasing arrangement, the lessor shall notify the Department of Insurance to ensure proper and timely notification of coverage to the Department.

LRB099 19600 EGJ 43995 b

1 AN ACT concerning regulation.

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

4 Section 5. The Employee Leasing Company Act is amended by
5 changing Sections 25 and 30 as follows:

6 (215 ILCS 113/25)

7 Sec. 25. Record keeping and reporting requirement.

8 (a) A lessor shall maintain accounting and employment
9 records relating to all employee leasing arrangements for a
10 minimum of 4 calendar years. A lessor shall maintain the
11 address of each office it maintains in this State, at its
12 principal place of business.

13 (b) A lessor shall maintain sufficient information in a
14 manner consistent with a licensed rating organization's data
15 submission requirements to permit the rating organization
16 licensed under Section 459 of the Illinois Insurance Code to
17 calculate an experience modification factor for the lessee.

18 (c) Upon written request of a lessee with an annual payroll
19 attributed to it in excess of \$200,000, the lessor shall
20 provide the lessee's experience modification factor to the
21 lessee within 30 days of the request.

22 (d) Upon request of a lessee with an annual payroll
23 attributed to it of less than \$200,000, the lessor shall

1 provide the loss information required to be maintained by this
2 Section to the lessee within 30 days of the request.

3 (e) Nothing in this Section shall preclude a licensed
4 rating organization from calculating the experience
5 modification factor for each lessee nor an insurer from
6 maintaining and furnishing on behalf of the lessor, such
7 information as required by this Section.

8 (f) In the event that a lessee's experience modification
9 factor exceeds the lessor's experience modification factor by
10 50% at the inception of the employee leasing arrangement, the
11 lessee's experience modification factor shall be utilized to
12 calculate the premium or costs charged to the lessee for
13 workers' compensation coverage for a period of 2 years.
14 Thereafter, the premium charged by the insurer for inclusion of
15 a lessee under a lessor's policy may be calculated on the basis
16 of the lessor's experience modification factor.

17 (g) A lessor that does not provide workers' compensation
18 insurance coverage for leased employees of a lessee under an
19 employee leasing arrangement shall not be subject to compliance
20 with subsections (b) through (f) of this Section.

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) Either a lessor or lessee may provide workers'

1 compensation insurance coverage for leased employees under an
2 employee leasing arrangement. When a workers' compensation
3 policy written to cover leased employees is issued to the
4 lessor as the named insured, the lessee shall be identified
5 thereon by the attachment of an appropriate endorsement
6 indicating that the policy provides coverage for leased
7 employees. The endorsement shall, at a minimum, provide for the
8 following:

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

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

14 (b) (Blank).

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

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

25 (e) Calculation of a lessor's or lessee's premium shall be
26 done in accordance with the insurer's rating manual filed with

1 the Department.

2 (f) When the lessee provides workers' compensation
3 coverage for leased employees under an employee leasing
4 arrangement, the lessor shall notify the Department in a manner
5 specified by the Department to ensure proper and timely
6 notification of coverage to the Department.

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