

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.)