

1 AN ACT to amend the Religious and Charitable Risk Pooling  
2 Trust Act by changing Sections 2, 6, and 15.

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

5 Section 5. The Religious and Charitable Risk Pooling  
6 Trust Act is amended by changing Sections 2, 6, and 15 as  
7 follows:

8 (215 ILCS 150/2) (from Ch. 148, par. 202)

9 Sec. 2. Authorized organizations; purpose. Any number  
10 of organizations which are all exempt from taxation under  
11 paragraph (3) subsection--3 of subsection paragraph (c) of  
12 Section 501 of the Internal Revenue Code of 1954 as amended  
13 or as it may be amended hereafter are authorized to establish  
14 and become beneficiaries of a trust fund for the purpose of:  
15 (1) providing protection for themselves against the risk of  
16 financial loss due to damage, destruction or loss to property  
17 or the imposition of legal liability; or (2) providing  
18 protection for their employees or full-time students, but not  
19 dependents, against the risk of financial loss due to  
20 accident, sickness, or disablement. Any of such  
21 organizations' affiliated title holding corporations that are  
22 exempt from taxation under paragraph (2) of subsection (c) of  
23 Section 501 of the Internal Revenue Code of 1954, as amended  
24 or as it may be amended hereafter, are authorized to  
25 establish or become beneficiaries of a trust for the purpose  
26 of providing protection for themselves against the risk of  
27 financial loss due to damage, destruction, or loss to  
28 property or the imposition of legal liability.

29 A hospital or long-term care facility owned and operated  
30 by a tax exempt unit of local government and such unit of  
31 local government, in relation to and to the extent of its

1 liabilities arising from the ownership or operation of such  
 2 hospital or long-term care facility, may participate in the  
 3 establishment of and may become beneficiaries of a trust fund  
 4 established under this Act for the purpose of providing  
 5 protection against the risk of financial loss due to the  
 6 imposition of legal liability.

7 (Source: P.A. 88-364.)

8 (215 ILCS 150/6) (from Ch. 148, par. 206)

9 Sec. 6. Risk pools; risk retention groups.

10 (a) A trust fund may enter into written agreements with  
 11 other trust funds established under this Act whereby the  
 12 risks assumed by any such trust fund may be pooled and shared  
 13 with such other trust funds.

14 (b) A trust fund may enter into written agreements for  
 15 the purpose of assuming risks from (i) risk pools or risk  
 16 retention groups established or organized pursuant to the  
 17 laws of any other state exclusively to provide protections,  
 18 as described in this Act, to organizations which are exempt  
 19 from taxation under paragraph subsection (3) of subsection  
 20 paragraph (c) of Section 501 of the Internal Revenue Code, as  
 21 amended from time to time, and their affiliated title holding  
 22 corporations that are exempt from taxation under paragraph  
 23 (2) of subsection (c) of Section 501 of the Internal Revenue  
 24 Code of 1954, as amended from time to time, or (ii) insurance  
 25 companies with regard to protections, as described in this  
 26 Act, exclusively for organizations which are exempt from  
 27 taxation, as aforesaid. As a condition to such authority,  
 28 any trust fund so assuming risk from any risk pool, risk  
 29 retention group or insurance company, shall, directly or  
 30 through an underwriting manager controlled by it, underwrite  
 31 risks assumed by it either on a facultative basis or on a  
 32 primary basis pursuant to an underwriting management  
 33 agreement with the entity from which risk is being assumed.

1 Such underwriting management agreement shall provide for  
 2 underwriting risks assumed on behalf of both the ceding  
 3 entity and the assuming trust fund. For purposes of this  
 4 subsection (b), the term "underwrite" shall include, but not  
 5 be limited to, classification, selection and pricing of  
 6 risks.

7 (Source: P.A. 85-131; 85-329.)

8 (215 ILCS 150/15) (from Ch. 148, par. 215)

9 Sec. 15. Ineligible beneficiaries. A beneficiary is  
 10 ineligible (1) if it is not exempt from taxation under  
 11 paragraph (3) subsection-3 of subsection (c) paragraph-(c) of  
 12 Section 501 of the Internal Revenue Code of 1954 as amended,  
 13 or an affiliate of a corporation exempt from taxation under  
 14 paragraph (3) of subsection (c) of Section 501 of the  
 15 Internal Revenue Code, as amended, and exempt from taxation  
 16 under paragraph (2) of subsection (c) of Section 501 of the  
 17 Internal Revenue Code of 1954, as amended, or tax exempt as a  
 18 unit of local government or as a hospital owned and operated  
 19 by a unit of local government ~~or~~; (2) if a corporation, it is  
 20 not incorporated as a not-for-profit corporation; ~~or~~; (3) if  
 21 a foreign or alien corporation, it no longer has a  
 22 Certificate of Authority issued by the Secretary of State.

23 (Source: P.A. 81-602.)

24 Section 99. Effective date. This Act takes effect upon  
 25 becoming law.