



Sen. John G. Mulroe

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LRB098 10715 JDS 43173 a

1 AMENDMENT TO SENATE BILL 2339

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2339 by replacing  
3 everything after the enacting clause with the following:

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

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

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

15 A joint insurance pool shall have an annual audit performed  
16 by an independent certified public accountant and shall file an

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

13 The joint insurance pool shall also annually file with the  
14 Director a certification by an independent actuary that the  
15 pool's reserves are in accordance with sound loss-reserving and  
16 adequate for the payment of claims. This certification must be  
17 filed no later than 150 days after the end of each fiscal year.  
18 If the joint insurance pool obtains aggregate coverage or uses  
19 any other reinsurance mechanism, then the independent  
20 actuary's certification need only account for the primary level  
21 of coverage provided by the joint insurance pool prior to  
22 reinsurance. The independent actuary's certification shall  
23 also indicate the conditions under which the aggregate coverage  
24 or other reinsurance mechanism takes effect. In addition, the  
25 joint insurance pool must annually provide the Department with  
26 an accurate statement of the amount of coverage provided

1 through aggregate coverage or any other reinsurance mechanism.

2 The Director may adopt, by administrative rule,  
3 appropriate penalties for joint insurance pools that fail to  
4 comply with the auditing, reporting, and certification  
5 requirements of this Section. The Director, or his or her  
6 designees, may examine the affairs, transactions, accounts,  
7 records, and assets and liabilities of each joint insurance  
8 pool as often as the Director deems advisable. The joint  
9 insurance pool shall cooperate fully with the Director's  
10 representatives in all evaluations and audits of the joint  
11 insurance pool and resolve issues raised in those evaluations  
12 and audits. The failure to resolve those issues shall  
13 constitute a violation of this Section, and may, after notice  
14 and an opportunity to be heard, result in the imposition of  
15 penalties established by the Director by administrative rule.  
16 No sanctions under this Section may become effective until 30  
17 days after the date that a notice of sanctions is delivered by  
18 registered or certified mail to the joint insurance pool.

19 If a joint insurance pool requires a member to submit  
20 written notice in order for the member to withdraw from a  
21 qualified pool, then the period in which the member must  
22 provide the written notice cannot be greater than 90 days,  
23 except that this requirement applies only to joint insurance  
24 pool agreements entered into, modified, or renewed on or after  
25 the effective date of this amendatory Act of the 98th General  
26 Assembly and this requirement does not apply during the initial

1 year of membership in the joint insurance pool.

2 The joint insurance pool shall notify each public agency  
3 member of the deadline for withdrawing from the pool at least  
4 30 days before the deadline for withdrawal.

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

23 No joint insurance pool or other intergovernmental  
24 cooperative offering health insurance shall interfere with the  
25 statutory obligation of any public agency member to bargain  
26 over or to reach agreement with a labor organization over a

1 mandatory subject of collective bargaining as those terms are  
2 used in the Illinois Public Labor Relations Act. No  
3 intergovernmental contract of insurance offering health  
4 insurance shall limit the rights or obligations of public  
5 agency members to engage in collective bargaining, and it shall  
6 be unlawful for a joint insurance pool or other  
7 intergovernmental cooperative offering health insurance to  
8 discriminate against public agency members or otherwise  
9 retaliate against such members for limiting their  
10 participation in a joint insurance pool as a result of a  
11 collective bargaining agreement.

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

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