



Rep. Elizabeth Hernandez

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LRB097 05382 JDS 55814 a

1 AMENDMENT TO SENATE BILL 1865

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1865 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. A joint insurance pool shall have an annual audit  
15 performed by an independent certified public accountant and  
16 shall file an annual audited financial report with the Director

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

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

1 of a public agency with these powers, may enter into contracts  
2 or otherwise associate among themselves as permitted in this  
3 Section.

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

19 No joint insurance pool or other intergovernmental  
20 cooperative shall require any public agency member to provide  
21 notice of the member's intent to withdraw from the pool or  
22 cooperative more than 30 days before the date upon which the  
23 member withdraws.

24 If a public agency member of a joint insurance pool or  
25 intergovernmental cooperative withdraws for the sole reason of  
26 seeking competitive pricing and then seeks to rejoin the pool

1 or intergovernmental cooperative within 60 days after  
2 withdrawing, the member shall be allowed to rejoin the pool or  
3 intergovernmental cooperative without penalty and without  
4 being required to pay higher premiums.

5 The head of any joint insurance pool or other  
6 intergovernmental cooperative shall be a licensed insurance  
7 producer in the State of Illinois.

8 No joint insurance pool or other intergovernmental  
9 cooperative shall, after the effective date of this amendatory  
10 Act of the 97th General Assembly, enter into any contract for  
11 insurance coverage that exceeds one year in duration.

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.)".