



Rep. Laura Fine

Filed: 3/12/2018

10000HB5251ham001

LRB100 18859 SMS 37026 a

1 AMENDMENT TO HOUSE BILL 5251

2 AMENDMENT NO. _____. Amend House Bill 5251 on page 1, line
3 6, after "531.09," by inserting "531.10,"; and

4 on page 28, line 4, by replacing "paragraph (3)" with
5 "subsection (b) ~~paragraph (3)~~"; and

6 on page 34, line 18, by replacing "(1)" with "(m) ~~(1)~~"; and

7 on page 38, line 2, by replacing "(13)" with "(p) ~~(13)~~"; and

8 on page 42, line 12, by replacing "of subparagraph (ii)" with
9 "~~of subparagraph (ii)~~"; and

10 on page 45, immediately below line 14, by inserting the
11 following:

12 "(215 ILCS 5/531.10) (from Ch. 73, par. 1065.80-10)

1 Sec. 531.10. Plan of Operation.†

2 (1) (a) The Association must submit to the Director a plan
3 of operation and any amendments thereto necessary or suitable
4 to assure the fair, reasonable, and equitable administration of
5 the Association. The plan of operation and any amendments
6 thereto become effective upon approval in writing by the
7 Director.

8 (b) If the Association fails to submit a suitable plan of
9 operation within 180 days following the effective date of this
10 Article or if at any time thereafter the Association fails to
11 submit suitable amendments to the plan, the Director may, after
12 notice and hearing, adopt and promulgate such reasonable rules
13 as are necessary or advisable to effectuate the provisions of
14 this Article. Such rules are in force until modified by the
15 Director or superseded by a plan submitted by the Association
16 and approved by the Director.

17 (2) All member insurers must comply with the plan of
18 operation.

19 (3) The plan of operation must, in addition to requirements
20 enumerated elsewhere in this Article:

21 (a) Establish procedures for handling the assets of the
22 Association;

23 (b) Establish the amount and method of reimbursing
24 members of the board of directors under Section 531.07;

25 (c) Establish regular places and times for meetings of
26 the board of directors;

1 (d) Establish procedures for records to be kept of all
2 financial transactions of the Association, its agents, and
3 the board of directors;

4 (e) Establish the procedures whereby selections for
5 the board of directors will be made and submitted to the
6 Director;

7 (f) Establish any additional procedures for
8 assessments under Section 531.09; and

9 (g) Contain additional provisions necessary or proper
10 for the execution of the powers and duties of the
11 Association.

12 (4) The plan of operation shall establish a procedure for
13 protest by any member insurer of assessments made by the
14 Association pursuant to Section 531.09. Such procedures shall
15 require that:

16 (a) a member insurer that wishes to protest all or part
17 of an assessment shall pay when due the full amount of the
18 assessment as set forth in the notice provided by the
19 Association. The payment shall be available to meet
20 Association obligations during the pendency of the protest
21 or any subsequent appeal. Payment shall be accompanied by a
22 statement in writing that the payment is made under protest
23 and setting forth a brief statement of the grounds for the
24 protest;

25 (b) within 30 days following the payment of an
26 assessment under protest by any protesting member insurer,

1 the Association must notify the member insurer in writing
2 of its determination with respect to the protest unless the
3 Association notifies the member that additional time is
4 required to resolve the issues raised by the protest;

5 (c) in the event the Association determines that the
6 protesting member insurer is entitled to a refund, such
7 refund shall be made within 30 days following the date upon
8 which the Association makes its determination;

9 (d) the decision of the Association with respect to a
10 protest may be appealed to the Director pursuant to Section
11 531.11(3);

12 (e) in the alternative to rendering a decision with
13 respect to any protest based on a question regarding the
14 assessment base, the Association may refer such protests to
15 the Director for final decision, with or without a
16 recommendation from the Association; and

17 (f) interest on any refund due a protesting member
18 insurer shall be paid at the rate actually earned by the
19 Association.

20 (5) The plan of operation may provide that any or all
21 powers and duties of the Association, except those under
22 paragraph (3) ~~(e)~~ of subsection (n) ~~(10)~~ of Section 531.08 and
23 Section 531.09 are delegated to a corporation, association or
24 other organization which performs or will perform functions
25 similar to those of this Association, or its equivalent, in 2
26 or more states. Such a corporation, association or organization

1 shall be reimbursed for any payments made on behalf of the
2 Association and shall be paid for its performance of any
3 function of the Association. A delegation under this subsection
4 shall take effect only with the approval of both the Board of
5 Directors and the Director, and may be made only to a
6 corporation, association or organization which extends
7 protection not substantially less favorable and effective than
8 that provided by this Act.

9 (Source: P.A. 96-1450, eff. 8-20-10.); and

10 on page 51, line 13, by replacing "paragraph (8)" with
11 "subsection (m) ~~paragraph (8)~~".