**Section 575.110 Definitions**

Administrator shall mean the Service Company that has been issued a license under Section 107a.09 of the Code and has contracted with a group workers' compensation pool to manage the activities of the pool, or, if the pool is self-administered, administrator shall mean the pool officers or employees designated by the pool to provide this service.

Basic Manual means the Basic Manual for Workers Compensation and Employers Liability Insurance (10920 W. Glennon Dr., Lakewood, Colorado 80226, 2001 edition, as supplement through October 26, 2006) of the National Council on Compensation Insurance, Incorporated (NCCI) that is used to classify employers by assigning their payroll to one or more NCCI codes.

Code means the Illinois Insurance Code [215 ILCS 5].

Department means the Department of Insurance.

Director means the Director of the Illinois Department of Insurance.

Homogeneous Risk Characteristics means similar qualities or dispositions that impact the likelihood of incurring a financial loss from workers' compensation and employers' liability exposures. The following are characteristics identifying some, but not all, elements of homogeneity:

Inherent means existing in the risk as a natural and inseparable quality or characteristic.

Loss means the amount that any person providing workers' compensation coverage has a legal obligation to pay.

Loss Frequency means the ratio of the total number of claims divided by the number of units of exposure, such as the number of claims divided by the number of employees exposed to injury, or the number of claims divided by the employees' total payroll.

Loss Severity, which is also known as the average loss amount, means the ratio of the total costs for all claims divided by the total number of claims.

Occupational Framework means factors describing a member's business operations, including but not limited to industries, locations, production and services processes, materials handled, machinery and equipment used, tasks performed by employees, and exposure of employees to injury or disease.

Membership Scope means the type of businesses or employers eligible to join a pool. Membership scope will be evaluated by the Director pursuant to Section 575.112 of this Part.

Member means an employer who pools the workers' compensation and employer's liability exposures imposed on the employer pursuant to the Workers' Compensation Act, or the Workers' Occupational Diseases Act [820 ILCS 305 and 820 ILCS 310] with other employers that either exhibit homogeneous risk characteristics or are members of a bona fide professional, commercial, industrial or trade association that exhibits homogeneous risk characteristics.

NCCI means the National Council on Compensation Insurance, Incorporated.

NCCI Class Code means one of the four digit numbers assigned according to the Basic Manual.

Person means any individual, entity, corporation, partnership, association, group workers' compensation pool or limited liability company.

Pool has the same meaning as qualified group workers' compensation pool defined in Section 107a.05 of the Code.

Trustee means, for purposes of this Part, any member of the pool's Board of Trustees, if the pool is a trust, or any member of the pool's Board of Directors, if the pool is any other type of entity.