



Rep. Elizabeth Hernandez

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LRB097 03369 JDS 52727 a

1 AMENDMENT TO HOUSE BILL 542

2 AMENDMENT NO. _____. Amend House Bill 542 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.)"