



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4488

Introduced 1/31/2012, by Rep. Michael W. Tryon

SYNOPSIS AS INTRODUCED:

415 ILCS 135/45

Amends the Drycleaner Environmental Response Trust Fund Act. Provides that, if the coverage of an owner or operator under the insurance account ceases for a reason other than the submittal of a claim on that account or the existence of an emergency or emergency action, then the owner or operator may reenroll in the program of coverage provided through the account by paying an annual premium calculated using the same risk basis as on the date that the owner or operator was last covered under the account. Effective immediately.

LRB097 19029 JDS 64268 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning safety.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Drycleaner Environmental Response Trust
5 Fund Act is amended by changing Section 45 as follows:

6 (415 ILCS 135/45)

7 Sec. 45. Insurance account.

8 (a) The insurance account shall offer financial assurance
9 for a qualified owner or operator of a drycleaning facility
10 under the terms and conditions provided for under this Section.
11 Coverage may be provided to either the owner or the operator of
12 a drycleaning facility. The Council is not required to resolve
13 whether the owner or operator, or both, are responsible for a
14 release under the terms of an agreement between the owner and
15 operator.

16 (b) The source of funds for the insurance account shall be
17 as follows:

18 (1) Moneys appropriated to the Council or moneys
19 allocated to the insurance account by the Council according
20 to the Fund budget approved by the Council.

21 (2) Moneys collected as an insurance premium,
22 including service fees, if any.

23 (3) Investment income attributed to the insurance

1 account by the Council.

2 (c) An owner or operator may purchase coverage of up to
3 \$500,000 per drycleaning facility subject to the terms and
4 conditions under this Section and those adopted by the Council.
5 Coverage shall be limited to remedial action costs associated
6 with soil and groundwater contamination resulting from a
7 release of drycleaning solvent at an insured drycleaning
8 facility, including third-party liability for soil and
9 groundwater contamination. Coverage is not provided for a
10 release that occurred before the date of coverage.

11 (d) An owner or operator, subject to underwriting
12 requirements and terms and conditions deemed necessary and
13 convenient by the Council, may purchase insurance coverage from
14 the insurance account provided that the drycleaning facility to
15 be insured meets the following conditions:

16 (1) a site investigation designed to identify soil and
17 groundwater contamination resulting from the release of a
18 drycleaning solvent has been completed. The Council shall
19 determine if the site investigation is adequate. This
20 investigation must be completed by June 30, 2006. For
21 drycleaning facilities that apply for insurance coverage
22 after June 30, 2006, the site investigation must be
23 completed prior to issuance of insurance coverage; and

24 (2) the drycleaning facility is participating in and
25 meets all requirements of a drycleaning compliance program
26 approved by the Council.

1 (e) The annual premium for insurance coverage shall be:

2 (1) For the year July 1, 1999 through June 30, 2000,
3 \$250 per drycleaning facility.

4 (2) For the year July 1, 2000 through June 30, 2001,
5 \$375 per drycleaning facility.

6 (3) For the year July 1, 2001 through June 30, 2002,
7 \$500 per drycleaning facility.

8 (4) For the year July 1, 2002 through June 30, 2003,
9 \$625 per drycleaning facility.

10 (5) For subsequent years, an owner or operator applying
11 for coverage shall pay an annual actuarially-sound
12 insurance premium for coverage by the insurance account.
13 The Council may approve Fund coverage through the payment
14 of a premium established on an actuarially-sound basis,
15 taking into consideration the risk to the insurance account
16 presented by the insured. Risk factor adjustments utilized
17 to determine actuarially-sound insurance premiums should
18 reflect the range of risk presented by the variety of
19 drycleaning systems, monitoring systems, drycleaning
20 volume, risk management practices, and other factors as
21 determined by the Council. As used in this item,
22 "actuarially sound" is not limited to Fund premium revenue
23 equaling or exceeding Fund expenditures for the general
24 drycleaning facility population. Actuarially-determined
25 premiums shall be published at least 180 days prior to the
26 premiums becoming effective.

1 (e-5) If the coverage of an owner or operator under the
2 insurance account ceases for a reason other than the submittal
3 of a claim on that account or the existence of an emergency or
4 emergency action, as defined in Section 5 of this Act, then the
5 owner or operator may reenroll in the program of coverage
6 provided through the account by paying an annual premium
7 calculated using the same risk basis as on the date that the
8 owner or operator was last covered under the account.

9 (f) If coverage is purchased for any part of a year, the
10 purchaser shall pay the full annual premium. The insurance
11 premium is fully earned upon issuance of the insurance policy.

12 (g) The insurance coverage shall be provided with a \$10,000
13 deductible policy.

14 (h) A future repeal of this Section shall not terminate the
15 obligations under this Section or authority necessary to
16 administer the obligations until the obligations are
17 satisfied, including but not limited to the payment of claims
18 filed prior to the effective date of any future repeal against
19 the insurance account until moneys in the account are
20 exhausted. Upon exhaustion of the moneys in the account, any
21 remaining claims shall be invalid. If moneys remain in the
22 account following satisfaction of the obligations under this
23 Section, the remaining moneys and moneys due the account shall
24 be used to assist current insureds to obtain a viable insuring
25 mechanism as determined by the Council after public notice and
26 opportunity for comment.

1 (Source: P.A. 93-201, eff. 1-1-04.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.