

**Bill Status of HB2622** 100th General Assembly

**Short Description:** INS CD-EMPLOYERS INS CO

**House Sponsors**

Rep. [Laura Fine](#) - [Daniel V. Beiser](#) - [Will Guzzardi](#) - [André Thapedi](#), [Silvana Tabares](#), [William Davis](#), [Robyn Gabel](#), [Kelly M. Cassidy](#), [Emanuel Chris Welch](#), [Deb Conroy](#), [Martin J. Moylan](#), [Sam Yingling](#), [Barbara Flynn Currie](#), [Natalie A. Manley](#), [Frances Ann Hurley](#), [La Shawn K. Ford](#), [Jaime M. Andrade, Jr.](#), [Gregory Harris](#), [Elaine Nekritz](#), [Stephanie A. Kifowit](#), [Kathleen Willis](#), [Sue Scherer](#), [Melissa Conyears-Ervin](#), [Katie Stuart](#), [Carol Sente](#), [Jerry Costello, II](#), [Brandon W. Phelps](#), [Anthony DeLuca](#), [Theresa Mah](#), [Cynthia Soto](#), [Elizabeth Hernandez](#), [Michelle Mussman](#), [Camille Y. Lilly](#), [Rita Mayfield](#), [Robert Rita](#), [Christian L. Mitchell](#), [Linda Chapa LaVia](#), [Daniel J. Burke](#), [Robert Martwick](#), [Sonya M. Harper](#), [Carol Ammons](#) and [Litesa E. Wallace](#)

**Senate Sponsors**

(Sen. [Daniel Biss](#) - [Pat McGuire](#) - [Patricia Van Pelt](#) - [Jacqueline Y. Collins](#) - [Andy Manar](#), [Laura M. Murphy](#), [Cristina Castro](#) and [Omar Aquino](#))

**Last Action**

Date	Chamber	Action
5/26/2017	House	Passed Both Houses

**Statutes Amended In Order of Appearance**

[215 ILCS 5/416](#)

215 ILCS 5/Art. XLVI heading new

215 ILCS 5/1700 new

215 ILCS 5/1705 new

215 ILCS 5/1710 new

215 ILCS 5/1715 new

215 ILCS 5/1720 new

215 ILCS 5/1725 new

215 ILCS 5/1730 new

215 ILCS 5/1735 new

215 ILCS 5/1740 new

215 ILCS 5/1745 new

215 ILCS 5/1750 new

215 ILCS 5/1755 new

215 ILCS 5/1760 new

215 ILCS 5/1765 new

**Synopsis As Introduced**

Amends the Illinois Insurance Code. In the provision concerning the Illinois Workers' Compensation Commission Operations Fund surcharge, provides that after the effective date of the amendatory Act, the Director of Insurance shall make one or more loans to the Illinois Employers Mutual Insurance Company (the Company) in an amount not to exceed an aggregate amount of \$10,000,000 from the Illinois Workers' Compensation Commission Operations Fund for the start-up funding and initial capitalization of the Company. Creates the Illinois Employers Mutual Insurance Company Article in the Code and establishes the Company as a nonprofit, independent public corporation. Provides that the Company (1) shall be operated as a domestic mutual insurance company, subject to all applicable provisions of the Code, (2) shall issue insurance for workers' compensation and occupational disease and shall not provide any other type of insurance, (3) shall

not be considered a State agency or instrumentality of the State for any purpose, and (4) shall not receive any State appropriations or funds, except for an initial loan or loans. Sets forth provisions concerning a board of directors, ratemaking, the Illinois Insurance Guaranty Fund, a chief executive officer, liability, a workplace safety plan, investments, dividends, the sale of policies, auditing requirements, and an annual report. Effective immediately.

**Land Conveyance Appraisal Note (Dept. of Transportation)**

The Illinois Department of Transportation has determined that no land conveyance is necessary for this bill.

**Correctional Note (Dept of Corrections)**

This bill has no fiscal or population impact on the Department of Corrections.

**Pension Note (Government Forecasting & Accountability)**

This legislation will not impact any public pension fund or retirement system in Illinois.

**State Debt Impact Note (Government Forecasting & Accountability)**

HB 2622 would not change the amount of authorization for any type of State-issued or State-supported bond, and, therefore, would not affect the level of State indebtedness.

**Judicial Note (Admin Office of the Illinois Courts)**

This legislation would neither increase nor decrease the number of judges needed in the State.

**Housing Affordability Impact Note (Housing Development Authority)**

This bill will have no effect on the cost of constructing, purchasing, owning, or selling a single-family residence.

**Balanced Budget Note (Office of Management and Budget)**

The Balanced Budget Note Act does not apply to this bill as it is not a supplemental appropriation that increases or decreases appropriations. Under the Act, a balanced budget note must be prepared only for bills that change a general funds appropriation for the fiscal year in which the new bill is enacted.

**House Floor Amendment No. 1**

In provisions concerning the Illinois Workers' Compensation Commission Operations Fund surcharge, provides that after the effective date of the amendatory Act, the Director of Insurance shall make a loan of \$10,000,000 (rather than make one or more loans in an amount not to exceed an aggregate amount of \$10,000,000) to the Illinois Employers Mutual Insurance Company from the Illinois Workers' Compensation Commission Operations Fund for the start-up funding and initial capitalization of the Company. Makes changes to the term years for members of the Board of directors. Makes changes to the qualifications for the Board director. Provides that the Board shall reflect the ethnic, cultural, and geographical diversity of the State. Removes language prohibiting policies of the Company to be sold by any insurance agent or broker licensed to sell workers' compensation insurance in the State. Makes changes to the dates that reports shall be submitted to the Governor and certain members of the General Assembly.

**State Mandates Fiscal Note (Dept. of Commerce & Economic Opportunity)**

This bill does not create a State mandate.

**Home Rule Note (Dept. of Commerce & Economic Opportunity)**

This bill does not pre-empt home rule authority.

**Fiscal Note (Dept of Insurance)**

The Illinois Department of Insurance (IDOI) collects a 1.01% surcharge annually on workers' compensation insurance premiums from insurance carriers. IDOI collects and deposits this surcharge on behalf of the Industrial Commission Operations Fund, which funds the operations of the Illinois Workers' Compensation Commission. However, the funds collected simply pass through the Illinois Department of Insurance. HB 2622 has no projected fiscal impact upon the Illinois Department of Insurance.

**Actions**

Date	Chamber	Action
2/8/2017	House	Filed with the Clerk by Rep. Laura Fine
<b>2/8/2017</b>	<b>House</b>	<b>First Reading</b>
2/8/2017	House	Referred to Rules Committee
2/22/2017	House	Assigned to Labor & Commerce Committee
3/9/2017	House	Added Chief Co-Sponsor Rep. Daniel V. Beiser
3/9/2017	House	Added Co-Sponsor Rep. Silvana Tabares
3/15/2017	House	Added Co-Sponsor Rep. William Davis
3/15/2017	House	Added Co-Sponsor Rep. Robyn Gabel
3/20/2017	House	Added Chief Co-Sponsor Rep. André Thapedi
3/20/2017	House	Added Co-Sponsor Rep. Kelly M. Cassidy
3/20/2017	House	Added Co-Sponsor Rep. Emanuel Chris Welch
3/22/2017	House	Do Pass / Short Debate Labor & Commerce Committee; 017-010-000
3/23/2017	House	Placed on Calendar 2nd Reading - Short Debate
3/23/2017	House	Added Chief Co-Sponsor Rep. Will Guzzardi
3/23/2017	House	Fiscal Note Requested by Rep. Tom Demmer
3/23/2017	House	State Mandates Fiscal Note Requested by Rep. Tom Demmer
3/30/2017	House	Added Co-Sponsor Rep. Deb Conroy
3/30/2017	House	Added Co-Sponsor Rep. Martin J. Moylan
3/30/2017	House	Added Co-Sponsor Rep. Sam Yingling
3/30/2017	House	Added Co-Sponsor Rep. Barbara Flynn Curie
3/30/2017	House	Added Co-Sponsor Rep. Natalie A. Mantley
3/30/2017	House	Added Co-Sponsor Rep. Frances Ann Hurley
3/30/2017	House	Added Co-Sponsor Rep. La Shawn K. Ford
3/30/2017	House	Added Co-Sponsor Rep. Jaime M. Andrade, Jr.
3/30/2017	House	Added Co-Sponsor Rep. Gregory Harris
3/30/2017	House	Added Co-Sponsor Rep. Elaine Nekritz
3/30/2017	House	Added Co-Sponsor Rep. Stephanie A. Kifowit
3/30/2017	House	Added Co-Sponsor Rep. Kathleen Willis
3/30/2017	House	Added Co-Sponsor Rep. Sue Scherer
4/4/2017	House	Land Conveyance Appraisal Note Filed
4/4/2017	House	Correctional Note Filed
4/4/2017	House	Added Co-Sponsor Rep. Melissa Conyears-Ervin
4/5/2017	House	Pension Note Filed
4/5/2017	House	State Debt Impact Note Filed
4/5/2017	House	Judicial Note Filed
4/5/2017	House	Added Co-Sponsor Rep. Katie Stuart
4/5/2017	House	Added Co-Sponsor Rep. Carol Sente
4/5/2017	House	Added Co-Sponsor Rep. Jerry Costello, II

4/5/2017	House	Added Co-Sponsor <a href="#">Rep. Brandon W. Phelps</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Anthony DeLuca</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Theresa Mah</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Cynthia Sofc</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Elizabeth Hernandez</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Michelle Mussman</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Camille Y. Lilly</a>
4/6/2017	House	Added Co-Sponsor <a href="#">Rep. Rita Mayfield</a>
4/10/2017	House	Housing Affordability Impact Note Filed
4/12/2017	House	Balanced Budget Note Filed
<b>4/24/2017</b>	<b>House</b>	<b>Second Reading - Short Debate</b>
4/24/2017	House	Held on Calendar Order of Second Reading - Short Debate
4/24/2017	House	House Floor Amendment No. 1 Filed with Clerk by <a href="#">Rep. Laura Fine</a>
4/24/2017	House	House Floor Amendment No. 1 Referred to <a href="#">Rules Committee</a>
4/25/2017	House	Added Co-Sponsor <a href="#">Rep. Robert Rita</a>
4/25/2017	House	Added Co-Sponsor <a href="#">Rep. Christian L. Mitchell</a>
<b>4/25/2017</b>	<b>House</b>	<b>Second Reading - Short Debate</b>
4/25/2017	House	Held on Calendar Order of Second Reading - Short Debate
4/25/2017	House	State Mandates Fiscal Note Filed
4/25/2017	House	Home Rule Note Filed
4/25/2017	House	Fiscal Note Filed
4/26/2017	House	House Floor Amendment No. 1 Rules Refers to <a href="#">Labor &amp; Commerce Committee</a>
4/26/2017	House	Added Co-Sponsor <a href="#">Rep. Linda Chapa LaVia</a>
4/26/2017	House	Added Co-Sponsor <a href="#">Rep. Daniel J. Burke</a>
4/26/2017	House	Added Co-Sponsor <a href="#">Rep. Robert Martwick</a>
4/27/2017	House	House Floor Amendment No. 1 Recommends Be Adopted <a href="#">Labor &amp; Commerce Committee</a> ; 017-010-000
4/27/2017	House	House Floor Amendment No. 1 Adopted
4/27/2017	House	Placed on Calendar Order of 3rd Reading - Short Debate
<b>4/27/2017</b>	<b>House</b>	<b>Third Reading - Short Debate - Passed 067-051-000</b>
4/27/2017	House	Added Co-Sponsor <a href="#">Rep. Sonya M. Harper</a>
4/27/2017	House	Added Co-Sponsor <a href="#">Rep. Carol Ammons</a>
4/27/2017	House	Added Co-Sponsor <a href="#">Rep. Litesa E. Wallace</a>
4/27/2017	House	Motion Filed to Reconsider Vote <a href="#">Rep. Barbara Flynn Currie</a>
5/18/2017	House	Motion to Reconsider Vote - Withdrawn <a href="#">Rep. Barbara Flynn Currie</a>
5/18/2017	Senate	Arrive in Senate
5/18/2017	Senate	Placed on Calendar Order of First Reading
5/18/2017	Senate	Chief Senate Sponsor <a href="#">Sen. Daniel Biss</a>
<b>5/18/2017</b>	<b>Senate</b>	<b>First Reading</b>
5/18/2017	Senate	Referred to <a href="#">Assignments</a>
5/24/2017	Senate	Assigned to <a href="#">Judiciary</a>
5/24/2017	Senate	Waive Posting Notice
5/25/2017	Senate	Do Pass <a href="#">Judiciary</a> ; 008-004-000
5/25/2017	Senate	Placed on Calendar Order of 2nd Reading

5/25/2017	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Pat McGuire</a>
<b>5/25/2017</b>	<b>Senate</b>	<b>Second Reading</b>
5/25/2017	Senate	Placed on Calendar Order of 3rd Reading May 26, 2017
5/25/2017	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Patricia Van Pelt</a>
5/25/2017	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Jacqueline Y. Collins</a>
5/25/2017	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Andy Mann</a>
5/26/2017	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Laura M. Murphy</a>
5/26/2017	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Cristina Castro</a>
5/26/2017	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Omar Aquino</a>
<b>5/26/2017</b>	<b>Senate</b>	<b>Third Reading - Passed; 032-020-001</b>
<b>5/26/2017</b>	<b>House</b>	<b>Passed Both Houses</b>

13 abate the surcharge or any penalties imposed by this Section if  
14 in the Director's opinion the company's solvency and ability to  
15 meet its insured obligations would be immediately threatened by  
16 payment of the surcharge due.

17 (d) When a company fails to pay the full amount of any  
18 annual Illinois Workers' Compensation Commission Operations  
19 Fund Surcharge of \$100 or more due under this Section, there  
20 shall be added to the amount due as a penalty the greater of  
21 \$1,000 or an amount equal to 5% of the deficiency for each  
22 month or part of a month that the deficiency remains unpaid.

23 (e) The Department of Insurance may enforce the collection  
24 of any delinquent payment, penalty, or portion thereof by legal  
25 action or in any other manner by which the collection of debts  
26 due the State of Illinois may be enforced under the laws of

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1 this State.

2 (f) Whenever it appears to the satisfaction of the Director  
3 that a company has paid pursuant to this Act an Illinois  
4 Workers' Compensation Commission Operations Fund Surcharge in  
5 an amount in excess of the amount legally collectable from the  
6 company, the Director shall issue a credit memorandum for an  
7 amount equal to the amount of such overpayment. A credit  
8 memorandum may be applied for the 2-year period from the date  
9 of issuance, against the payment of any amount due during that  
10 period under the surcharge imposed by this Section or, subject  
11 to reasonable rule of the Department of Insurance including  
12 requirement of notification, may be assigned to any other  
13 company subject to regulation under this Act. Any application  
14 of credit memoranda after the period provided for in this  
15 Section is void.

16 (g) Annually, the Governor may direct a transfer of up to  
17 2% of all moneys collected under this Section to the Insurance  
18 Financial Regulation Fund.

19 (h) After the effective date of this amendatory Act of the  
20 100th General Assembly, the Director shall make a loan to the  
21 Illinois Employers Mutual Insurance Company of \$10,000,000  
22 from the Illinois Workers' Compensation Commission Operations  
23 Fund for the start-up funding and initial capitalization of the  
24 Illinois Employers Mutual Insurance Company. The Board of  
25

26 Directors of the Illinois Employers Mutual Insurance Company  
shall make an application to the Director for the loans,

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1 stating the amount to be loaned to the Illinois Employers  
 2 Mutual Insurance Company. The Illinois Employers Mutual  
 3 Insurance Company shall repay the loans in full within 5 years  
 4 after issuance, plus any interest that would have accrued  
 5 thereon had the loan not occurred.  
 6 (Source: P.A. 95-331, eff. 8-21-07.)

7 (215 ILCS 5/Art. XLVI heading new)

8 ARTICLE XLVI.

9 THE ILLINOIS EMPLOYERS MUTUAL INSURANCE COMPANY

10 (215 ILCS 5/1700 new)

11 Sec. 1700. Purpose. The purpose of this Article is to  
 12 establish the Illinois Employers Mutual Insurance Company as a  
 13 nonprofit, independent public corporation to insure Illinois  
 14 employers against liability for workers' compensation and  
 15 occupational disease coverage.

16 (215 ILCS 5/1705 new)

17 Sec. 1705. Definitions. As used in this Article:

18 "Board" means the board of directors of the Illinois  
 19 Employers Mutual Insurance Company.

20 "Board director" means a member of the board of directors  
 21 of the Company.

22 "Company" means the Illinois Employers Mutual Insurance  
 23 Company created by this Article.

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1 (215 ILCS 5/1710 new)

2 Sec. 1710. Establishment of the Company.

3 (a) There is hereby created the Illinois Employers Mutual  
 4 Insurance Company, which shall be a nonprofit, independent  
 5 public corporation. The Company shall be operated as a domestic  
 6 mutual insurance company, subject to all applicable provisions

7 of this Code.

8 (b) The Company shall issue insurance for workers'  
9 compensation and occupational disease. The Company shall not  
10 provide any other type of insurance.

11 (c) The Company shall provide workers' compensation  
12 coverage to employers at the highest level of service and  
13 savings consistent with reasonable applicable actuarial  
14 standards and shall maintain the financial integrity of the  
15 Company. The Company shall foster employer involvement in  
16 safety initiatives and the creation of workplace safety plans  
17 set forth in Section 1740 of this Article.

18 (d) The Company shall not be considered a State agency or  
19 instrumentality of the State for any purpose. Employees of the  
20 Company are not employees of the State and are not subject to  
21 the Personnel Code. The Company shall not receive any State  
22 appropriations or funds, except for an initial loan or loans  
23 made pursuant to Section 416 of this Code. The State shall not  
24 borrow or otherwise appropriate funds from the Company. The  
25 Company or its liabilities shall not be deemed to constitute a

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1 debt or a liability of the State or a pledge of the full faith  
2 and credit of the State.

3 (215 ILCS 5/1715 new)

4 Sec. 1715. Board of directors.

5 (a) The Company shall be managed by a 7-member board of  
6 directors. The board of directors shall be appointed by the  
7 Governor with the advice and consent of the Senate. For the  
8 initial set of appointments, 2 Board directors shall be  
9 appointed to a term ending July 1, 2019, 2 Board directors  
10 shall be appointed to a term ending July 1, 2020, 2 Board  
11 directors shall be appointed to a term ending July 1, 2021, and  
12 one Board director shall be appointed to a term ending July 1,  
13 2022. All initial appointments shall be made by the Governor  
14 within 30 days after the effective date of this amendatory Act  
15 of the 100th General Assembly. Thereafter, all appointments or  
16 reappointments shall be a for a 5-year term ending on July 1 of  
17 the fifth year. The appointment and reappointment of Board  
18 directors by the Governor shall be subject to the provisions of  
19 Article 3A of the Illinois Governmental Ethics Act.



20 (b) A Board director appointed by the Governor must meet  
 21 all of the following qualifications:

22 (1) he or she does not have any interest as a  
 23 stockholder, employee, attorney, agent, broker, or  
 24 contractor of an insurance entity that writes workers'  
 25 compensation insurance or whose affiliates write workers'

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1 compensation insurance; however, nothing in this Section  
 2 shall be construed to prohibit an individual who previously  
 3 had an interest in an insurance entity that writes workers'  
 4 compensation insurance or whose affiliates write workers'  
 5 compensation insurance from being appointed to the Board;

6 (2) he or she is not the spouse or an immediate family  
 7 member living with a person who has an interest as a  
 8 stockholder, employee, attorney, agent, broker, or  
 9 contractor of an insurance entity that writes workers'  
 10 compensation insurance or whose affiliates write workers'

11 compensation insurance; however, nothing in this Section  
 12 shall be construed to prohibit an individual who previously  
 13 had an interest in an insurance entity that writes workers'  
 14 compensation insurance or whose affiliates write workers'  
 15 compensation insurance from being appointed to the Board;

16 (3) he or she is a resident of the State of Illinois;

17 (4) he or she is of good moral character and has never  
 18 pleaded guilty to, or been found guilty of, a felony; and

19 (5) he or she is not a registered lobbyist under the  
 20 Lobbyist Registration Act.

21 (c) The Board directors shall elect a chairman from the  
 22 Board.

23 (d) The Board is vested with the full power, authority, and  
 24 jurisdiction over the Company and may perform any necessary or  
 25 convenient act in the exercise of its power. The Board shall  
 26 discharge its duties with the care, skill, prudence, and

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1 diligence as that of prudent directors acting in a similar  
 2 enterprise and purpose. The powers of the Board include, but

3 are not limited to:

4 (1) the ability to enter into contracts;

5 (2) the purchase of reinsurance; and

6 (3) the declaration of dividends.

7 (e) The Board shall develop bylaws which shall be subject  
8 to the restrictions set forth in this Article. The bylaws shall  
9 provide for a schedule of at least quarterly meetings and set  
10 forth rules specifically relating to the conduct of meetings  
11 and voting procedures.

12 (f) The Board shall reflect the ethnic, cultural, and  
13 geographical diversity of the State.

14 (215 ILCS 5/1720 new)

15 Sec. 1720. Ratemaking. The Board shall have full power and  
16 authority to establish rates to be charged by the Company for  
17 insurance, subject to the applicable provisions of this Code.  
18 The Board shall contract for the services of or hire an  
19 independent actuary, who is a member in good standing with the  
20 American Academy of Actuaries, to develop and recommend  
21 actuarially sound rates. Rates shall be set at amounts  
22 sufficient, when invested, to carry all claims to maturity,  
23 meet the reasonable expenses of conducting the business of the  
24 Company, and maintain a reasonable surplus.

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1 (215 ILCS 5/1725 new)

2 Sec. 1725. Guaranty fund. The Company shall be subject to  
3 Article XXXIV of this Code and shall pay any assessments  
4 required for members of the Illinois Insurance Guaranty Fund.

5 (215 ILCS 5/1730 new)

6 Sec. 1730. Chief executive officer.

7 (a) The Board shall hire a chief executive officer who  
8 shall serve at the pleasure of the Board. The chief executive  
9 officer shall not be a member of the Board and must be  
10 qualified by education and experience to manage an organization  
11 with financial and operational obligations to policyholders  
12 and claimants. The compensation of the chief executive officer  
13 shall be determined by the Board.

14 (b) The chief executive officer shall be responsible for  
15

16 conducting the day-to-day operations of the Company, including  
17 the hiring of personnel. The chief executive officer shall also  
18 maintain an Internet website for the Company, which shall  
19 include information regarding the purchase of policies from the  
20 Company, as well as any reports required to be published under  
21 this Article.

21 (c) The chief executive officer shall present a proposed  
22 operating budget for the Company to the Board for its approval  
23 on an annual basis. The operating budget shall include a  
24 description of administrative and personnel costs.

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1 (215 ILCS 5/1735 new)

2 Sec. 1735. Liability. The Board and its employees shall  
3 not be personally liable for acts performed in good faith,  
4 without the intent to defraud, and made in an official  
5 capacity.

6 (215 ILCS 5/1740 new)

7 Sec. 1740. Workplace safety plan.

8 (a) The chief executive officer shall formulate,  
9 implement, and monitor a workplace safety plan for all  
10 policyholders. This plan shall include written guidance to  
11 reduce workplace accidents, prevent injuries, and promote safe  
12 working conditions. Each plan shall have clearly stated safety  
13 objectives for the policyholder.

14 (b) Employees of the Company shall have access to the  
15 premises of any policyholder for the purpose of examining the  
16 safety conditions of the workplace. The Company may terminate a  
17 policy if there is a refusal by the policyholder to permit  
18 on-site examinations by the Company or if the policyholder  
19 disregards or fails to comply with the safety objectives set  
20 forth by the Company in the workplace safety plan.

21 (215 ILCS 5/1745 new)

22 Sec. 1745. Investments.

23 (a) The Company shall formulate and adopt an investment  
24 policy that safeguards the value of all assets and maximizes

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1 investment potential. All investments by the Company shall be  
2 subject to the applicable restrictions for domestic mutual  
3 insurers set forth in this Code.

4 (b) The Company may retain an independent investment  
5 counsel who shall be subject to standards applicable to  
6 fiduciaries responsible for safeguarding the assets of a  
7 corporation.

8 (215 ILCS 5/1750 new)

9 Sec. 1750. Dividends.

10 (a) The Company may declare a dividend in accordance with  
11 the requirements set forth in this Code.

12 (b) Dividends may be distributed in the form of premium  
13 discounts, dividends, or a combination of dividends and  
14 discounts.

15 (c) In addition to any requirements for dividends set forth  
16 in this Code, dividends may only be distributed if:

17 (1) the initial funding of the Company has been repaid  
18 in full;

19 (2) an independent actuarial report of the prior year's  
20 operations has been completed and reviewed by the Board;

21 (3) the Company has met all expenses for administration  
22 and claims for the prior year; and

23 (4) adequate reserves exist to pay all claims.

24 (215 ILCS 5/1755 new)

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1 Sec. 1755. Sale of policies. The Company shall administer  
2 the sale of policies for workers' compensation and occupational  
3 disease coverage. The Company shall utilize the Internet and  
4 other technologies to the greatest extent possible in order to  
5 facilitate the purchase of a policy for employers in this  
6 State.

7 (215 ILCS 5/1760 new)

8 Sec. 1760. Auditing requirements.

9 (a) The Company shall be subject to all examinations and  
10 audits required under this Code.

11 (b) The Board shall retain a competent and independent firm  
12 of certified public accountants to perform an annual audit of  
13 the performance and management of the Company and an audit of  
14 the accounts, funds, and securities of the Company. The costs  
15 of these audits shall be paid for by the Company. The audits  
16 shall be published on the Company's Internet website.

17 (215 ILCS 5/1765 new)  
18 Sec. 1765. Annual report.

19 (a) On July 1, 2018, the Board shall prepare and submit a  
20 report to the Governor, the President of the Senate, the  
21 Minority Leader of the Senate, the Speaker of the House, and  
22 the Minority Leader of the House. This report shall describe  
23 the progress of the Company to date in establishing its  
24 operations as a domestic mutual insurance company in this State

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1 providing workers' compensation and occupational disease  
2 coverage. This report shall include the information required in  
3 subsection (b) of this Section, if available.

4 (b) Beginning July 1, 2019 and continuing every July 1  
5 thereafter, the Board shall prepare and submit a report to the  
6 Governor, the President of the Senate, the Minority Leader of  
7 the Senate, the Speaker of the House, and the Minority Leader  
8 of the House. This report shall contain, at a minimum, the  
9 following information:

10 (1) a summary of the most recent audits performed  
11 pursuant to Section 1760 of this Code;

12 (2) statistical and actuarial data related to the  
13 determination of premium rate levels; and

14 (3) the incidence of work-related injuries and costs  
15 related to those injuries.

16 (c) The reports required under this Section shall be  
17 submitted electronically and posted on the Internet website of  
18 the Company.

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.

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**Bill Status of HB2525** 100th General Assembly**Short Description:** UNEMP INS-WRKR COMP RATES**House Sponsors**Rep. [Jay Hoffman](#) - [Emanuel Chris Welch](#) - [Elgie R. Sims, Jr.](#) and [Katie Stuart](#)**Senate Sponsors**(Sen. [Kwame Raoul](#) - [Linda Holmes](#) - [Melinda Bush](#) - [Cristina Castro](#))**Last Action**

Date	Chamber	Action
5/28/2017	House	Placed on Calendar Order of Concurrence Senate Amendment(s) 2

**Statutes Amended In Order of Appearance**

<a href="#">215 ILCS 5/456</a>	from Ch. 73, par. 1065.3
<a href="#">215 ILCS 5/457</a>	from Ch. 73, par. 1065.4
<a href="#">215 ILCS 5/458</a>	from Ch. 73, par. 1065.5
215 ILCS 5/462a new	
<a href="#">215 ILCS 5/460 rep.</a>	
<a href="#">820 ILCS 305/1</a>	from Ch. 48, par. 138.1
820 ILCS 305/4e new	
<a href="#">820 ILCS 305/8</a>	from Ch. 48, par. 138.8
820 ILCS 305/8.1 new	
<a href="#">820 ILCS 305/8.1b</a>	
<a href="#">820 ILCS 305/8.2a</a>	
<a href="#">820 ILCS 305/14</a>	from Ch. 48, par. 138.14
<a href="#">820 ILCS 305/19</a>	from Ch. 48, par. 138.19
<a href="#">820 ILCS 305/25.5</a>	
<a href="#">820 ILCS 305/29.2</a>	
820 ILCS 305/29.3 new	

**Synopsis As Introduced**

Amends the Employer's Liability Rates Article of the Illinois Insurance Code. Provides that a rate is excessive if it is likely to produce a long run profit that is unreasonably high for the insurance provided or if expenses are unreasonably high in relation to the services rendered. Repeals provisions regarding presumptions that a competitive market exists, determining whether a competitive market exists, and disapproval of rates under specified circumstances. Amends the Workers' Compensation Act. Provides that accidental injuries sustained while traveling to or from work do not arise out of and in the course of employment. Defines "in the course of employment" and "arising out of the employment". Permits an employer to file with the Illinois Workers' Compensation Commission a workers' compensation safety program or a workers' compensation return to work program implemented by the employer. Provides that the Commission may certify any such safety program as a bona fide safety program after reviewing the program. In a provision concerning compensation for the period of temporary total incapacity for work resulting from an accidental injury, provides that (i) injuries to the shoulder shall be considered injuries to part of the arm and (ii) injuries to the hip shall be considered injuries to part of the leg. Contains provisions concerning repetitive and cumulative injuries; permanent partial disability determinations; electronic claims; annual reports by the Commission concerning the state of self-insurance for workers' compensation in Illinois; and duties of the Workers' Compensation Premium Rates Task

Force; and other matters. Effective immediately.

**Judicial Note (Admin Office of the Illinois Courts)**

This legislation would neither increase nor decrease the number of judges needed in the State.

**Fiscal Note (Illinois Workers' Compensation Commission)**

House Bill 2525 as introduced would have a significant fiscal impact on the Illinois Workers' Compensation Commission. The bill includes a provision that would result in less revenues to fund office operations while requiring increased expenditure of State funds to hire additional professionals with expertise in various disciplines and additional investigators to investigate workers' compensation fraud. An accurate cost estimate of this legislation is not available at this time.

**Balanced Budget Note (Office of Management and Budget)**

The Balanced Budget Note Act does not apply to this bill as it is not a supplemental appropriation that increases or decreases appropriations. Under the Act, a balanced budget note must be prepared only for bills that change a general funds appropriation for the fiscal year in which the new bill is enacted.

**Pension Note (Government Forecasting & Accountability)**

This legislation will not impact any public pension fund or retirement system in Illinois.

**State Debt Impact Note (Government Forecasting & Accountability)**

This legislation would not change the amount of authorization for any type of State-issued or State-supported bond, and, therefore, would not affect the level of State indebtedness.

**Correctional Note (Dept of Corrections)**

This legislation has no fiscal or population impact on the Department of Corrections.

**Housing Affordability Impact Note (Housing Development Authority)**

This bill will have no effect on the cost of constructing, purchasing, owning, or selling a single-family residence.

**State Mandates Fiscal Note (Dept. of Commerce & Economic Opportunity)**

This bill does not create a State mandate.

**Home Rule Note (Dept. of Commerce & Economic Opportunity)**

This bill does not pre-empt home rule authority.

**Senate Floor Amendment No. 2**

*Adds reference to:*

820 ILCS 305/8.2

Makes additional changes to the Workers' Compensation Act. Provides that the Illinois Workers' Compensation Commission, in consultation with the Workers' Compensation Medical Fee Advisory Board shall establish an evidence-based drug formulary. Requires an annual investigation of procedures covered for ambulatory surgical centers and the establishment of a fee schedule. Changes a waiting period for benefits for certain firefighters, emergency medical technicians, and paramedics. Changes compensation computations for subsequent injuries to the same part of the spine. Defines terms.

**Actions**

Date	Chamber	Action

2/8/2017	House	Filed with the Clerk by <u>Rep. Jay Hoffman</u>
<b>2/8/2017</b>	<b>House</b>	<b>First Reading</b>
2/8/2017	House	Referred to <u>Rules Committee</u>
2/22/2017	House	Assigned to <u>Labor &amp; Commerce Committee</u>
3/8/2017	House	Added Co-Sponsor <u>Rep. Katie Stuart</u>
3/8/2017	House	Removed Co-Sponsor <u>Rep. Katie Stuart</u>
3/22/2017	House	Do Pass / Standard Debate <u>Labor &amp; Commerce Committee; 017-012-000</u>
3/23/2017	House	Placed on Calendar 2nd Reading - Standard Debate
3/23/2017	House	Fiscal Note Requested by <u>Rep. Tom Demmer</u>
3/23/2017	House	State Mandates Fiscal Note Requested by <u>Rep. Tom Demmer</u>
3/24/2017	House	Judicial Note Filed
4/3/2017	House	Fiscal Note Filed
4/4/2017	House	Added Chief Co-Sponsor <u>Rep. Emanuel Chris Welch</u>
4/12/2017	House	Balanced Budget Note Filed
4/13/2017	House	Pension Note Filed
4/13/2017	House	State Debt Impact Note Filed
4/13/2017	House	Correctional Note Filed
4/18/2017	House	Housing Affordability Impact Note Filed
4/25/2017	House	State Mandates Fiscal Note Filed
4/25/2017	House	Home Rule Note Filed
<b>4/26/2017</b>	<b>House</b>	<b>Second Reading - Standard Debate</b>
4/26/2017	House	Held on Calendar Order of Second Reading - Standard Debate
4/27/2017	House	Placed on Calendar Order of 3rd Reading - Standard Debate
<b>4/27/2017</b>	<b>House</b>	<b>Third Reading - Standard Debate - Passed 066-050-000</b>
4/27/2017	House	Motion Filed to Reconsider Vote <u>Rep. Barbara Flynn Currie</u>
4/27/2017	House	Added Chief Co-Sponsor <u>Rep. Elgie R. Sims, Jr.</u>
4/27/2017	House	Added Co-Sponsor <u>Rep. Katie Stuart</u>
5/18/2017	House	Motion to Reconsider Vote - Withdrawn <u>Rep. Barbara Flynn Currie</u>
5/18/2017	Senate	Arrive in Senate
5/18/2017	Senate	Placed on Calendar Order of First Reading May 19, 2017
5/18/2017	Senate	Chief Senate Sponsor <u>Sen. Linda Holmes</u>
<b>5/19/2017</b>	<b>Senate</b>	<b>First Reading</b>
5/19/2017	Senate	Referred to <u>Assignments</u>
5/24/2017	Senate	Assigned to <u>Judiciary</u>
5/24/2017	Senate	Waive Posting Notice
5/24/2017	Senate	Senate Committee Amendment No. 1 Filed with Secretary by <u>Sen. Kwame Raoul</u>
5/24/2017	Senate	Senate Committee Amendment No. 1 Referred to <u>Assignments</u>
5/24/2017	Senate	Alternate Chief Sponsor Changed to <u>Sen. Kwame Raoul</u>
5/24/2017	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. Linda Holmes</u>
5/25/2017	Senate	Do Pass <u>Judiciary; 008-003-000</u>
5/25/2017	Senate	Placed on Calendar Order of 2nd Reading
5/25/2017	Senate	Senate Floor Amendment No. 2 Filed with Secretary by <u>Sen. Kwame Raoul</u>
5/25/2017	Senate	Senate Floor Amendment No. 2 Referred to <u>Assignments</u>



<b>5/25/2017</b>	<b>Senate</b>	<b>Second Reading</b>
5/25/2017	Senate	Placed on Calendar Order of 3rd Reading May 26, 2017
5/25/2017	Senate	Senate Floor Amendment No. 2 Be Approved for Consideration <u>Assignments</u>
5/26/2017	Senate	Recalled to Second Reading
5/26/2017	Senate	Senate Floor Amendment No. 2 Adopted; Raoul
5/26/2017	Senate	Placed on Calendar Order of 3rd Reading
5/26/2017	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. Melinda Bush</u>
5/26/2017	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. Cristina Castro</u>
<b>5/26/2017</b>	<b>Senate</b>	<b>Third Reading - Passed; 035-019-001</b>
5/26/2017	Senate	Senate Committee Amendment No. 1 Tabled Pursuant to Rule 5-4(a)
5/28/2017	House	Arrived in House
<b>5/28/2017</b>	<b>House</b>	<b>Placed on Calendar Order of Concurrence Senate Amendment(s) 2</b>
5/28/2017	House	Senate Floor Amendment No. 2 Motion Filed Concur <u>Rep. Jay Hoffman</u>
5/28/2017	House	Senate Floor Amendment No. 2 Motion to Concur Referred to <u>Rules Committee</u>
5/29/2017	House	Senate Floor Amendment No. 2 Motion to Concur Rules Referred to <u>Labor &amp; Commerce Committee</u>
5/29/2017	House	Senate Floor Amendment No. 2 Motion to Concur Recommends Be Adopted <u>Labor &amp; Commerce Committee; 017-009-000</u>

5 rates may be modified to produce rates for individual risks in  
6 accordance with rating plans which measure variation in hazards  
7 or expense provisions, or both. Such rating plans may measure  
8 any differences among risks that have a probable effect upon  
9 losses or expenses;

10 (d) Rates shall not be excessive, inadequate or unfairly  
11 discriminatory.

12 A rate ~~in a competitive market is not excessive. A rate in~~  
13 ~~a noncompetitive market~~ is excessive if it is likely to produce  
14 a ~~long-run~~ profit that is unreasonably high for the insurance  
15 provided or if expenses are unreasonably high in relation to  
16 the services rendered.

17 A rate is not inadequate unless such rate is clearly  
18 insufficient to sustain projected losses and expenses in the  
19 class of business to which it applies and the use of such rate  
20 has or, if continued, will have the effect of substantially  
21 lessening competition or the tendency to create monopoly in any  
22 market.

23 Unfair discrimination exists if, after allowing for  
24 practical limitations, price differentials fail to reflect  
25 equitably the differences in expected losses and expenses. A  
26 rate is not unfairly discriminatory because different premiums

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1 result for policyholders with like exposures but different  
2 expenses, or like expenses but different loss exposures, so  
3 long as the rate reflects the differences with reasonable  
4 accuracy.

5 (e) The rating plan shall contain a mandatory offer of a  
6 deductible applicable only to the medical benefit under the  
7 Workers' Compensation Act. Such deductible offer shall be in a  
8 minimum amount of at least \$1,000 per accident.

9 (f) Any rating plan or program shall include a rule  
10 permitting 2 or more employers with similar risk  
11 characteristics, who participate in a loss prevention program  
12 or safety group, to pool their premium and loss experience in  
13 determining their rate or premium for such participation in the

14 program.

15 (2) Except to the extent necessary to meet the provisions  
16 of subdivision (d) of subsection (1) of this Section,  
17 uniformity among companies in any matters within the scope of  
18 this Section is neither required nor prohibited.

19 (Source: P.A. 82-939.)

20 (215 ILCS 5/457) (from Ch. 73, par. 1065.4)

21 Sec. 457. Rate filings. (1) ~~Every Beginning January 1,~~  
22 ~~1983, every~~ company shall prefile file with the Director every  
23 manual of classifications, every manual of rules and rates,  
24 every rating plan and every modification of the foregoing which  
25 it intends to use. Such filings shall be made at least not

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1 ~~later than~~ 30 days before ~~after~~ they become effective. A  
2 company may satisfy its obligation to make such filings by  
3 adopting the filing of a licensed rating organization of which  
4 it is a member or subscriber, filed pursuant to subsection (2)  
5 of this Section, in total or, with the approval of the  
6 Director, by notifying the Director in what respects it intends  
7 ~~to~~ deviate from such filing. If a company intends to deviate  
8 from the filing of a licensed rating organization of which it  
9 is a member, the company shall provide the Director with  
10 supporting information that specifies the basis for the  
11 requested deviation and provides justification for the  
12 deviation. Any company adopting a pure premium filed by a  
13 rating organization pursuant to subsection (2) must file with  
14 the Director the modification factor it is using for expenses  
15 and profit so that the final rates in use by such company can  
16 be determined.

17 (2) ~~Each Beginning January 1, 1983, each~~ licensed rating  
18 organization must prefile file with the Director every manual  
19 of classification, every manual of rules and advisory rates,  
20 every pure premium which has been fully adjusted and fully  
21 developed, every rating plan and every modification of any of  
22 the foregoing which it intends to recommend for use to its

23 members and subscribers, at least ~~not later than~~ 30 days before  
 24 ~~after~~ such manual, premium, plan or modification thereof takes  
 25 effect. Every licensed rating organization shall also file with  
 26 the Director the rate classification system, all rating rules,

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1 rating plans, policy forms, underwriting rules or similar  
 2 materials, and each modification of any of the foregoing which  
 3 it requires its members and subscribers to adhere to not later  
 4 than 30 days before such filings or modifications thereof are  
 5 to take effect. Every such filing shall state the proposed  
 6 effective date thereof and shall indicate the character and  
 7 extent of the coverage contemplated.

8 (3) A filing and any supporting information made pursuant  
 9 to this Section shall be open to public inspection as soon as  
 10 filed after the filing becomes effective.

11 (4) A filing shall not be effective nor used until approved  
 12 by the Director. A filing shall be deemed approved if the  
 13 Director fails to disapprove within 30 days after the filing.  
 14 (Source: P.A. 82-939.)

15 (215 ILCS 5/458) (from Ch. 73, par. 1065.5)

16 Sec. 458. Disapproval of filings. (1) If within 30 ~~thirty~~  
 17 days of any filing the Director finds that such filing does not  
 18 meet the requirements of this Article, he shall send to the  
 19 company or rating organization which made such filing a written  
 20 notice of disapproval of such filing, specifying therein in  
 21 what respects he finds that such filing fails to meet the  
 22 requirements of this Article ~~and stating when, within a~~  
 23 ~~reasonable period thereafter, such filing shall be deemed no~~  
 24 ~~longer effective. A company or rating organization whose filing~~  
 25 has been disapproved shall be given a hearing upon a written

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1 request made within 30 days after the disapproval order. ~~If the~~

2 ~~company or rating organization making the filing shall, prior~~  
3 ~~to the expiration of the period prescribed in the notice,~~  
4 ~~request a hearing, such filings shall be effective until the~~  
5 ~~expiration of a reasonable period specified in any order~~  
6 ~~entered thereon. If the rate resulting from such filing be~~  
7 ~~unfairly discriminatory or materially inadequate, and the~~  
8 ~~difference between such rate and the approved rate equals or~~  
9 ~~exceeds the cost of making an adjustment, the Director shall in~~  
10 ~~such notice or order direct an adjustment of the premium to be~~  
11 ~~made with the policyholder either by refund or collection of~~  
12 ~~additional premium. If the policyholder does not accept the~~  
13 ~~increased rate, cancellation shall be made on a pro rata basis.~~  
14 ~~Any policy issued pursuant to this subsection shall contain a~~  
15 ~~provision that the premium thereon shall be subject to~~  
16 ~~adjustment upon the basis of the filing finally approved.~~

17 (2) If at any time subsequent to the applicable review  
18 period provided for in subsection (1) of this Section, the  
19 Director finds that a filing does not meet the requirements of  
20 this Article, he shall, after a hearing held upon not less than  
21 ten days written notice, specifying the matters to be  
22 considered at such hearing, to every company and rating  
23 organization which made such filing, issue an order specifying  
24 in what respects he finds that such filing fails to meet the  
25 requirements of this Article, and stating when, within a  
26 reasonable period thereafter, such filings shall be deemed no

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1 longer effective. Copies of said order shall be sent to every  
2 such company and rating organization. Said order shall not  
3 affect any contract or policy made or issued prior to the  
4 expiration of the period set forth in said order.

5 (3) Any person or organization aggrieved with respect to  
6 any filing which is in effect may make written application to  
7 the Director for a hearing thereon, provided, however, that the  
8 company or rating organization that made the filing shall not  
9 be authorized to proceed under this subsection. Such  
10 application shall specify the grounds to be relied upon by the

11 applicant. If the Director shall find that the application is  
 12 made in good faith, that the applicant would be so aggrieved if  
 13 his grounds are established, and that such grounds otherwise  
 14 justify holding such a hearing, he shall, within thirty days  
 15 after receipt of such application, hold a hearing upon not less  
 16 than ten days written notice to the applicant and to every  
 17 company and rating organization which made such filing.

18 If, after such hearing, the Director finds that the filing  
 19 does not meet the requirements of this Article, he shall issue  
 20 an order specifying in what respects he finds that such filing  
 21 fails to meet the requirements of this Article, and stating  
 22 when, within a reasonable period thereafter, such filing shall  
 23 be deemed no longer effective. Copies of said order shall be  
 24 sent to the applicant and to every such company and rating  
 25 organization. Said order shall not affect any contract or  
 26 policy made or issued prior to the expiration of the period set

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1 forth in said order.

2 (4) Whenever an insurer has no legally effective rates as a  
 3 result of the Director's disapproval of rates or other act, the  
 4 Director shall on request of the insurer specify interim rates  
 5 for the insurer that are high enough to protect the interests  
 6 of all parties and may order that a specified portion of the  
 7 premiums be placed in an escrow account approved by him or her.  
 8 When new rates become legally effective, the Director shall  
 9 order the escrowed funds or any overcharge in the interim rates  
 10 to be distributed appropriately, except that refunds to  
 11 policyholders that are de minimis shall not be required.

12 (Source: P.A. 82-939.)

13 (215 ILCS 5/462a new)

14 Sec. 462a. Premiums; review.

15 (a) Premiums shall not be excessive. A premium is excessive  
 16 if it is likely to produce a profit that is unreasonably high  
 17 for the insurance provided or if expenses are unreasonably high  
 18 in relation to the coverage or services rendered.

19 (b) At any time, an insured may file a request for review  
20 of a premium with the Director. The request shall be in such  
21 form as the Director prescribes and shall specify the grounds  
22 on which the premium is excessive.

23 If, within 30 days of any proper request for review under  
24 this Section, the Director finds that the premium does not meet  
25 the requirements of this Section, he or she shall send to the

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1 insurer a written notice of disapproval of premium, specifying  
2 therein in what respects he or she finds that the premium fails  
3 to meet the requirements of this Section, stating when, within  
4 a reasonable period thereafter, the premium shall be deemed no  
5 longer effective, and ordering an adjustment of the premium. An  
6 insurer whose premium has been disapproved shall be given a  
7 hearing upon a written request made within 30 days after the  
8 disapproval order. If the insurer requests a hearing, the  
9 premium shall be effective until the expiration of a reasonable  
10 period specified in any order entered thereon. If, after a  
11 hearing, the premium is found to be excessive, the Director  
12 shall order an adjustment of the premium. The insurer shall  
13 refund to the insured any amount found to be excessive under  
14 this Section.

15 If the Director finds that a review is not warranted or a  
16 premium is not excessive, he or she shall provide notice of  
17 that decision to the insured and the insurer.

18 (c) An insurer shall provide all information requested by  
19 the Director as he or she determines necessary to assist in  
20 review of premiums under this Section.

21 (215 ILCS 5/460 rep.)

22 Section 10. The Illinois Insurance Code is amended by  
23 repealing Section 460.

24 Section 15. The Workers' Compensation Act is amended by

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6           3. Every sole proprietor and every partner of a business  
7 may elect to be covered by this Act.

8           An employee or his dependents under this Act who shall have  
9 a cause of action by reason of any injury, disablement or death  
10 arising out of and in the course of his employment may elect to  
11 pursue his remedy in the State where injured or disabled, or in  
12 the State where the contract of hire is made, or in the State  
13 where the employment is principally localized.

14           However, any employer may elect to provide and pay  
15 compensation to any employee other than those engaged in the  
16 usual course of the trade, business, profession or occupation  
17 of the employer by complying with Sections 2 and 4 of this Act.  
18 Employees are not included within the provisions of this Act  
19 when excluded by the laws of the United States relating to  
20 liability of employers to their employees for personal injuries  
21 where such laws are held to be exclusive.

22           The term "employee" does not include persons performing  
23 services as real estate broker, broker-salesman, or salesman  
24 when such persons are paid by commission only.

25           (c) "Commission" means the Industrial Commission created  
26 by Section 5 of "The Civil Administrative Code of Illinois",

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1 approved March 7, 1917, as amended, or the Illinois Workers'  
2 Compensation Commission created by Section 13 of this Act.

3           (d) To obtain compensation under this Act, an employee  
4 bears the burden of showing, by a preponderance of the  
5 evidence, that he or she has sustained accidental injuries  
6 arising out of and in the course of the employment. Except as  
7 provided in subsection (e) of this Section, accidental injuries  
8 sustained while traveling to or from work do not arise out of  
9 and in the course of employment.

10           For the purposes of this subsection (d):

11           "In the course of employment" refers to the time, place,  
12 and circumstances surrounding the accidental injuries.

13           "Arising out of the employment" refers to causal  
14 connection. It must be shown that the injury had its origin in



15 some risk connected with, or incidental to, the employment so  
16 as to create a causal connection between the employment and the  
17 accidental injuries. An injury arises out of the employment if,  
18 at the time of the occurrence, the employee was performing acts  
19 he or she was instructed to perform by his or her employer,  
20 acts which he or she had a common law or statutory duty to  
21 perform, or acts which the employee might reasonably be  
22 expected to perform incident to his or her assigned duties. A  
23 risk is incidental to the employment where it belongs to or is  
24 connected with what an employee has to do in fulfilling his or  
25 her duties.

26 (e) Where an employee is required to travel away from his

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1 or her employer's premises in order to perform his or her job,  
2 the traveling employee's accidental injuries arise out of his  
3 or her employment, and are in the course of his or her  
4 employment, when the conduct in which he or she was engaged at  
5 the time of the injury is reasonable and when that conduct  
6 might have been anticipated or foreseen by the employer.  
7 Accidental injuries while traveling do not occur in the course  
8 of employment if the accident occurs during a purely personal  
9 deviation or personal errand unless such deviation or errand is  
10 insubstantial.

11 In determining whether an employee was required to travel  
12 away from his or her employer's premises in order to perform  
13 his or her job, along with all other relevant factors, the  
14 following factors may be considered: whether the employer had  
15 knowledge that the employee may be required to travel to  
16 perform the job; whether the employer furnished any mode of  
17 transportation to or from the employee; whether the employee  
18 received, or the employer paid or agreed to pay, any  
19 remuneration or reimbursement for costs or expenses of any form  
20 of travel; whether the employer in any way directed the course  
21 or method of travel; whether the employer in any way assisted  
22 the employee in making any travel arrangements; whether the  
23 employer furnished lodging or in any way reimbursed the

24 employee for lodging; and whether the employer received any  
25 benefit from the employee traveling.  
26 (Source: P.A. 97-18, eff. 6-28-11; 97-268, eff. 8-8-11; 97-813,

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1 eff. 7-13-12.)

2 (820 ILCS 305/4e new)

3 Sec. 4e. Safety programs and return to work programs;  
4 recalculation of premiums and waiver of self-insurers fee.

5 (a) An employer may file with the Commission a workers'  
6 compensation safety program or a workers' compensation return  
7 to work program implemented by the employer. The Commission may  
8 certify any such safety program as a bona fide safety program  
9 after reviewing the program for the following minimum  
10 requirements: adequate safety training for employees;  
11 establishment of joint employer-employee safety committees;  
12 use of safety devices; and consultation with safety  
13 organizations. The Commission may certify any such return to  
14 work program as a bona fide return to work program after  
15 reviewing the program for the following minimum requirements:  
16 light duty or restricted duty work; leave of absence policy;  
17 and full duty return to work policy. The Commission shall  
18 notify the Department of Insurance of the certification.

19 (b) Upon receipt of a certification notice from the  
20 Commission under this Section related to an employer that  
21 provides workers' compensation through an insurer, the  
22 Director of Insurance shall immediately direct in writing the  
23 employer's workers' compensation insurer to recalculate the  
24 workers' compensation premium rates for the employer so that  
25 those premium rates incorporate and take into account the

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1 certified program.

2 (c) If any workers' compensation safety program or a

3 workers' compensation return to work program implemented by a  
4 self-insured employer is certified under this Section, the  
5 annual fee under Section 4d of this Act shall be reduced by 30%  
6 for the self-insured employer as long as the workers'  
7 compensation safety program or a workers' compensation return  
8 to work program continues. The self-insured employer shall  
9 certify the continuation of the program by each July 1 after  
10 the waiver is obtained.

11 (820 ILCS 305/8) (from Ch. 48, par. 138.8)

12 Sec. 8. The amount of compensation which shall be paid to  
13 the employee for an accidental injury not resulting in death  
14 is:

15 (a) The employer shall provide and pay the negotiated rate,  
16 if applicable, or the lesser of the health care provider's  
17 actual charges or according to a fee schedule, subject to  
18 Section 8.2, in effect at the time the service was rendered for  
19 all the necessary first aid, medical and surgical services, and  
20 all necessary medical, surgical and hospital services  
21 thereafter incurred, limited, however, to that which is  
22 reasonably required to cure or relieve from the effects of the  
23 accidental injury, even if a health care provider sells,  
24 transfers, or otherwise assigns an account receivable for  
25 procedures, treatments, or services covered under this Act. If

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1 the employer does not dispute payment of first aid, medical,  
2 surgical, and hospital services, the employer shall make such  
3 payment to the provider on behalf of the employee. The employer  
4 shall also pay for treatment, instruction and training  
5 necessary for the physical, mental and vocational  
6 rehabilitation of the employee, including all maintenance  
7 costs and expenses incidental thereto. If as a result of the  
8 injury the employee is unable to be self-sufficient the  
9 employer shall further pay for such maintenance or  
10 institutional care as shall be required.

11 The employee may at any time elect to secure his own

9           The loss of 2 or more digits, or one or more phalanges  
10 of 2 or more digits, of a hand may be compensated on the  
11 basis of partial loss of use of a hand, provided, further,  
12 that the loss of 4 digits, or the loss of use of 4 digits,  
13 in the same hand shall constitute the complete loss of a  
14 hand.

15           10. Arm-

16                 235 weeks if the accidental injury occurs on or  
17 after the effective date of this amendatory Act of the  
18 94th General Assembly but before February 1, 2006.

19                 253 weeks if the accidental injury occurs on or  
20 after February 1, 2006.

21           Where an accidental injury results in the amputation of  
22 an arm below the elbow, such injury shall be compensated as  
23 a loss of an arm. Where an accidental injury results in the  
24 amputation of an arm above the elbow, compensation for an  
25 additional 15 weeks (if the accidental injury occurs on or  
26 after the effective date of this amendatory Act of the 94th

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1           General Assembly but before February 1, 2006) or an  
2 additional 17 weeks (if the accidental injury occurs on or  
3 after February 1, 2006) shall be paid, except where the  
4 accidental injury results in the amputation of an arm at  
5 the shoulder joint, or so close to shoulder joint that an  
6 artificial arm cannot be used, or results in the  
7 disarticulation of an arm at the shoulder joint, in which  
8 case compensation for an additional 65 weeks (if the  
9 accidental injury occurs on or after the effective date of  
10 this amendatory Act of the 94th General Assembly but before  
11 February 1, 2006) or an additional 70 weeks (if the  
12 accidental injury occurs on or after February 1, 2006)  
13 shall be paid.

14           For purposes of awards under this subdivision (e),  
15 injuries to the shoulder shall be considered injuries to  
16 part of the arm.

17           11. Foot-

18                   155 weeks if the accidental injury occurs on or  
19                   after the effective date of this amendatory Act of the  
20                   94th General Assembly but before February 1, 2006.

21                   167 weeks if the accidental injury occurs on or  
22                   after February 1, 2006.

23                   12. Leg-

24                   200 weeks if the accidental injury occurs on or  
25                   after the effective date of this amendatory Act of the  
26                   94th General Assembly but before February 1, 2006.

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1                   215 weeks if the accidental injury occurs on or  
2                   after February 1, 2006.

3                   Where an accidental injury results in the amputation of  
4                   a leg below the knee, such injury shall be compensated as  
5                   loss of a leg. Where an accidental injury results in the  
6                   amputation of a leg above the knee, compensation for an  
7                   additional 25 weeks (if the accidental injury occurs on or  
8                   after the effective date of this amendatory Act of the 94th  
9                   General Assembly but before February 1, 2006) or an  
10                  additional 27 weeks (if the accidental injury occurs on or  
11                  after February 1, 2006) shall be paid, except where the  
12                  accidental injury results in the amputation of a leg at the  
13                  hip joint, or so close to the hip joint that an artificial  
14                  leg cannot be used, or results in the disarticulation of a  
15                  leg at the hip joint, in which case compensation for an  
16                  additional 75 weeks (if the accidental injury occurs on or  
17                  after the effective date of this amendatory Act of the 94th  
18                  General Assembly but before February 1, 2006) or an  
19                  additional 81 weeks (if the accidental injury occurs on or  
20                  after February 1, 2006) shall be paid.

21                  For purposes of awards under this subdivision (e),  
22                  injuries to the hip shall be considered injuries to part of  
23                  the leg.

24                  13. Eye-

25                  150 weeks if the accidental injury occurs on or  
26                  after the effective date of this amendatory Act of the

6 employee by the State Employees' Retirement System under  
7 Article 14 of the Illinois Pension Code on a death claim or  
8 disputed disability claim shall be credited against any  
9 payments made or to be made by the State of Illinois to or on  
10 behalf of such employee under this Act, except for payments for  
11 medical expenses which have already been incurred at the time  
12 of the award. The State of Illinois shall directly reimburse  
13 the State Employees' Retirement System to the extent of such  
14 credit.

15 2. Nothing contained in this Act shall be construed to give  
16 the employer or the insurance carrier the right to credit for  
17 any benefits or payments received by the employee other than  
18 compensation payments provided by this Act, and where the  
19 employee receives payments other than compensation payments,  
20 whether as full or partial salary, group insurance benefits,  
21 bonuses, annuities or any other payments, the employer or  
22 insurance carrier shall receive credit for each such payment  
23 only to the extent of the compensation that would have been  
24 payable during the period covered by such payment.

25 3. The extension of time for the filing of an Application  
26 for Adjustment of Claim as provided in paragraph 1 above shall

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1 not apply to those cases where the time for such filing had  
2 expired prior to the date on which payments or benefits  
3 enumerated herein have been initiated or resumed. Provided  
4 however that this paragraph 3 shall apply only to cases wherein  
5 the payments or benefits hereinabove enumerated shall be  
6 received after July 1, 1969.

7 (Source: P.A. 97-18, eff. 6-28-11; 97-268, eff. 8-8-11; 97-813,  
8 eff. 7-13-12.)

9 (820 ILCS 305/8.1 new)

10 Sec. 8.1. Repetitive and cumulative injuries; right of  
11 contribution.

12 (a) Any accidental injury which results from repetitive or  
13 cumulative trauma and occurs within 3 months after the employee

14 begins his or her employment shall not be considered by a  
15 workers' compensation insurer in setting the premium rate for  
16 the employer.

17 (b) If an award is made for benefits in connection with  
18 repetitive or cumulative injury resulting from employment with  
19 more than one employer, the employer liable for award or its  
20 insurer is entitled to contributions or reimbursement from each  
21 of the employee's prior employers which are subject to this Act  
22 or their insurers for the prior employer's pro rata share of  
23 responsibility as determined by the Commission. The right to  
24 contribution or reimbursement under this Section shall not  
25 delay, diminish, restrict, or alter in any way the benefits to

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1 which the employee or his or her dependents are entitled under  
2 this Act. At any time within one year after the Commission or  
3 the Arbitrator has made an award for benefits in connection  
4 with repetitive or cumulative injury, the employer liable under  
5 the award or its insurer may institute proceedings before the  
6 Commission for the purpose of determining the right of  
7 contribution or reimbursement. The proceeding shall not delay,  
8 diminish, restrict, or alter in any way the benefits to which  
9 the employee or his or her dependents are entitled under this  
10 Act, but shall be limited to a determination of the respective  
11 contribution or reimbursement rights and the responsibilities  
12 of all the employers joined in the proceeding. The employee has  
13 the duty of rendering reasonable cooperation in any of such  
14 proceeding.

15 (c) No contribution or reimbursement may be sought for any  
16 payment of benefits more than 2 years after the employer  
17 seeking contribution or reimbursement has made the payment.

18 (d) This Section shall apply only to injuries occurring on  
19 or after the effective date of this amendatory Act of the 100th  
20 General Assembly.

21 (e) The Commission shall adopt emergency rules under  
22 Section 5-45 of the Illinois Administrative Procedure Act to  
23 implement the provisions of this Section to implement this

24 Section.

25 (820 ILCS 305/8.1b)

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1 Sec. 8.1b. Determination of permanent partial disability.  
2 For accidental injuries that occur on or after September 1,  
3 2011, permanent partial disability shall be established using  
4 the following criteria:

5 (a) A physician licensed to practice medicine in all of its  
6 branches preparing a permanent partial disability impairment  
7 report shall report the level of impairment in writing. The  
8 report shall include an evaluation of medically defined and  
9 professionally appropriate measurements of impairment that  
10 include, but are not limited to: loss of range of motion; loss  
11 of strength; measured atrophy of tissue mass consistent with  
12 the injury; and any other measurements that establish the  
13 nature and extent of the impairment. The most current edition  
14 of the American Medical Association's "Guides to the Evaluation  
15 of Permanent Impairment" shall be used by the physician in  
16 determining the level of impairment.

17 (b) In determining the level of permanent partial  
18 disability, the Commission shall base its determination on the  
19 following factors: (i) the reported level of impairment  
20 pursuant to subsection (a) if such a report exists and is  
21 admitted into evidence; (ii) the occupation of the injured  
22 employee; (iii) the age of the employee at the time of the  
23 injury; (iv) the employee's future earning capacity; and (v)  
24 evidence of disability corroborated by the treating medical  
25 records or examination under Section 12 of this Act. Where an  
26 impairment report exists and is admitted into evidence, it must

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1 be considered by the Commission in its determination. No single  
2 enumerated factor shall be the sole determinant of disability.



3 In determining the level of disability, the relevance and  
4 weight of any factors used in addition to the level of  
5 impairment as reported by the physician must be explained in a  
6 written order.

7 (c) A report of impairment prepared pursuant to subsection  
8 (a) is not required for an arbitrator or the Commission to make  
9 an award for permanent partial disability or permanent total  
10 disability benefits or any award for benefits under subsection  
11 (c) of Section 8 or subsection (d) of Section 8 of this Act or  
12 to approve a Settlement Contract Lump Sum Petition.

13 (Source: P.A. 97-18, eff. 6-28-11.)

14 (820 ILCS 305/8.2a)

15 Sec. 8.2a. Electronic claims.

16 (a) The Director of Insurance shall adopt rules to do all  
17 of the following:

18 (1) Ensure that all health care providers and  
19 facilities submit medical bills for payment on  
20 standardized forms.

21 (2) Require acceptance by employers and insurers of  
22 electronic claims for payment of medical services.

23 (3) Ensure confidentiality of medical information  
24 submitted on electronic claims for payment of medical  
25 services.

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1 (4) Ensure that health care providers have at least 15  
2 business days to comply with records requested by employers  
3 and insurers for the authorization of the payment of  
4 workers' compensation claims.

5 (5) Ensure that health care providers are responsible  
6 for supplying only those medical records pertaining to the  
7 provider's own claims that are minimally necessary under  
8 the federal Health Insurance Portability and  
9 Accountability Act of 1996.

10 (6) Provide that any electronically submitted bill  
11 determined to be complete but not paid or objected to

12 within 30 days shall be subject to penalties pursuant to  
13 Section 8.2(d)(3) of this Act to be entered by the  
14 Commission.

15 (7) Provide that the Department of Insurance shall  
16 impose an administrative fine if it determines that an  
17 employer or insurer has failed to comply with the  
18 electronic claims acceptance and response process. The  
19 amount of the administrative fine shall be no greater than  
20 \$1,000 per each violation, but shall not exceed \$10,000 for  
21 identical violations during a calendar year.

22 (b) To the extent feasible, standards adopted pursuant to  
23 subdivision (a) shall be consistent with existing standards  
24 under the federal Health Insurance Portability and  
25 Accountability Act of 1996 and standards adopted under the  
26 Illinois Health Information Exchange and Technology Act.

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1 (c) The rules requiring employers and insurers to accept  
2 electronic claims for payment of medical services shall be  
3 proposed on or before January 1, 2012, and shall require all  
4 employers and insurers to accept electronic claims for payment  
5 of medical services on or before June 30, 2012. The Director of  
6 Insurance shall adopt rules by June 30, 2017 to implement the  
7 changes to this Section made by this amendatory Act of the  
8 100th General Assembly. The Commission, with assistance from  
9 the Department and the Medical Fee Advisory Board, shall  
10 publish on its Internet website a companion guide to assist  
11 with compliance with electronic claims rules. The Medical Fee  
12 Advisory Board shall periodically review the companion guide.

13 (d) The Director of Insurance shall by rule establish  
14 criteria for granting exceptions to employers, insurance  
15 carriers, and health care providers who are unable to submit or  
16 accept medical bills electronically.

17 (Source: P.A. 97-18, eff. 6-28-11.)

18 (820 ILCS 305/14) (from Ch. 48, par. 138.14)

19 Sec. 14. The Commission shall appoint a secretary, an

9 on July 1, 2011, but the incumbents shall continue to exercise  
10 all of their duties until they are reappointed or their  
11 successors are appointed.

12 On and after June 28, 2011 (the effective date of Public  
13 Act 97-18), arbitrators shall be appointed to 3-year terms as  
14 follows:

15 (1) All appointments shall be made by the Governor with  
16 the advice and consent of the Senate.

17 (2) For their initial appointments, 12 arbitrators  
18 shall be appointed to terms expiring July 1, 2012; 12  
19 arbitrators shall be appointed to terms expiring July 1,  
20 2013; and all additional arbitrators shall be appointed to  
21 terms expiring July 1, 2014. Thereafter, all arbitrators  
22 shall be appointed to 3-year terms.

23 Upon the expiration of a term, the Chairman shall evaluate  
24 the performance of the arbitrator and may recommend to the  
25 Governor that he or she be reappointed to a second or  
26 subsequent term by the Governor with the advice and consent of

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1 the Senate.

2 Each arbitrator appointed on or after June 28, 2011 (the  
3 effective date of Public Act 97-18) and who has not previously  
4 served as an arbitrator for the Commission shall be required to  
5 be authorized to practice law in this State by the Supreme  
6 Court, and to maintain this authorization throughout his or her  
7 term of employment.

8 The performance of all arbitrators shall be reviewed by the  
9 Chairman on an annual basis. The Chairman shall allow input  
10 from the Commissioners in all such reviews.

11 The Commission shall assign no fewer than 3 arbitrators to  
12 each hearing site. The Commission shall establish a procedure  
13 to ensure that the arbitrators assigned to each hearing site  
14 are assigned cases on a random basis. The Chairman of the  
15 Commission shall have discretion to assign and reassign  
16 arbitrators to each hearing sites as needed. No arbitrator  
17 shall hear cases in any county, other than Cook County, for

18 ~~more than 2 years in each 3-year term.~~

19       The Secretary and each arbitrator shall receive a per annum  
20 salary of \$4,000 less than the per annum salary of members of  
21 The Illinois Workers' Compensation Commission as provided in  
22 Section 13 of this Act, payable in equal monthly installments.

23       The members of the Commission, Arbitrators and other  
24 employees whose duties require them to travel, shall have  
25 reimbursed to them their actual traveling expenses and  
26 disbursements made or incurred by them in the discharge of

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1       their official duties while away from their place of residence  
2 in the performance of their duties.

3       The Commission shall provide itself with a seal for the  
4 authentication of its orders, awards and proceedings upon which  
5 shall be inscribed the name of the Commission and the words  
6 "Illinois--Seal".

7       The Secretary or Assistant Secretary, under the direction  
8 of the Commission, shall have charge and custody of the seal of  
9 the Commission and also have charge and custody of all records,  
10 files, orders, proceedings, decisions, awards and other  
11 documents on file with the Commission. He shall furnish  
12 certified copies, under the seal of the Commission, of any such  
13 records, files, orders, proceedings, decisions, awards and  
14 other documents on file with the Commission as may be required.  
15 Certified copies so furnished by the Secretary or Assistant  
16 Secretary shall be received in evidence before the Commission  
17 or any Arbitrator thereof, and in all courts, provided that the  
18 original of such certified copy is otherwise competent and  
19 admissible in evidence. The Secretary or Assistant Secretary  
20 shall perform such other duties as may be prescribed from time  
21 to time by the Commission.

22 (Source: P.A. 98-40, eff. 6-28-13; 99-642, eff. 7-28-16.)

23 (820 ILCS 305/19) (from Ch. 48, par. 138.19)

24       Sec. 19. Any disputed questions of law or fact shall be  
25 determined as herein provided.

3 Commission notice of intent to file for review in Circuit  
4 Court. It shall be the duty of the Commission upon such  
5 filing of notice of intent to file for review in the  
6 Circuit Court to prepare a true and correct copy of such  
7 testimony and a true and correct copy of all other matters  
8 contained in such record and certified to by the Secretary  
9 or Assistant Secretary thereof. The changes made to this  
10 subdivision (f)(1) by this amendatory Act of the 98th  
11 General Assembly apply to any Commission decision entered  
12 after the effective date of this amendatory Act of the 98th  
13 General Assembly.

14 No request for a summons may be filed and no summons  
15 shall issue unless the party seeking to review the decision  
16 of the Commission shall exhibit to the clerk of the Circuit  
17 Court proof of filing with the Commission of the notice of  
18 the intent to file for review in the Circuit Court or an  
19 affidavit of the attorney setting forth that notice of  
20 intent to file for review in the Circuit Court has been  
21 given in writing to the Secretary or Assistant Secretary of  
22 the Commission.

23 (2) No such summons shall issue unless the one against  
24 whom the Commission shall have rendered an award for the  
25 payment of money shall upon the filing of his written  
26 request for such summons file with the clerk of the court a

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1 bond conditioned that if he shall not successfully  
2 prosecute the review, he will pay the award and the costs  
3 of the proceedings in the courts. The amount of the bond  
4 shall be fixed by any member of the Commission and the  
5 surety or sureties of the bond shall be approved by the  
6 clerk of the court. The acceptance of the bond by the clerk  
7 of the court shall constitute evidence of his approval of  
8 the bond.

9 The State of Illinois, including its constitutional  
10 officers, boards, commissions, agencies, public  
11 institutions of higher learning, and funds administered by

12 the treasurer ex officio, and every ~~Every~~ county, city,  
13 town, township, incorporated village, school district,  
14 body politic or municipal corporation against whom the  
15 Commission shall have rendered an award for the payment of  
16 money shall not be required to file a bond to secure the  
17 payment of the award and the costs of the proceedings in  
18 the court to authorize the court to issue such summons.

19 The court may confirm or set aside the decision of the  
20 Commission. If the decision is set aside and the facts  
21 found in the proceedings before the Commission are  
22 sufficient, the court may enter such decision as is  
23 justified by law, or may remand the cause to the Commission  
24 for further proceedings and may state the questions  
25 requiring further hearing, and give such other  
26 instructions as may be proper. Appeals shall be taken to

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1 the Appellate Court in accordance with Supreme Court Rules  
2 22(g) and 303. Appeals shall be taken from the Appellate  
3 Court to the Supreme Court in accordance with Supreme Court  
4 Rule 315.

5 It shall be the duty of the clerk of any court  
6 rendering a decision affecting or affirming an award of the  
7 Commission to promptly furnish the Commission with a copy  
8 of such decision, without charge.

9 The decision of a majority of the members of the panel  
10 of the Commission, shall be considered the decision of the  
11 Commission.

12 (g) Except in the case of a claim against the State of  
13 Illinois, either party may present a certified copy of the  
14 award of the Arbitrator, or a certified copy of the decision of  
15 the Commission when the same has become final, when no  
16 proceedings for review are pending, providing for the payment  
17 of compensation according to this Act, to the Circuit Court of  
18 the county in which such accident occurred or either of the  
19 parties are residents, whereupon the court shall enter a  
20 judgment in accordance therewith. In a case where the employer

9 employee dies, then in any subsequent proceedings brought by  
10 the personal representative or beneficiaries of the deceased  
11 employee, such testimony in the former proceeding may be  
12 introduced with the same force and effect as though the witness  
13 having so testified were present in person in such subsequent  
14 proceedings and such final decision, if any, shall be taken as  
15 final adjudication of any of the issues which are the same in  
16 both proceedings.

17 (k) In case where there has been any unreasonable or  
18 vexatious delay of payment or intentional underpayment of  
19 compensation, or proceedings have been instituted or carried on  
20 by the one liable to pay the compensation, which do not present  
21 a real controversy, but are merely frivolous or for delay, then  
22 the Commission may award compensation additional to that  
23 otherwise payable under this Act equal to 50% of the amount  
24 payable at the time of such award. Failure to pay compensation  
25 in accordance with the provisions of Section 8, paragraph (b)  
26 of this Act, shall be considered unreasonable delay.

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1 When determining whether this subsection (k) shall apply,  
2 the Commission shall consider whether an Arbitrator has  
3 determined that the claim is not compensable or whether the  
4 employer has made payments under Section 8(j).

5 (k-1) In a case where there has been unreasonable or  
6 vexatious delay of authorization of medical treatment, the  
7 Commission may award compensation additional to that otherwise  
8 payable under this Act in the sum of \$30 per day for each day  
9 that the benefits under Section 8(a) have been so withheld or  
10 refused, not to exceed \$10,000 or the total amount due per  
11 Section 8.2 for treatment to be rendered whichever is less.

12 Unless utilization review under Section 8.7 or Section 12  
13 examination is, or has been, requested, a delay in  
14 authorization of 14 days or more from the employer's receipt of  
15 all appropriate records and data elements needed to allow the  
16 employer to make a determination whether to authorize such care  
17 shall create a rebuttable presumption of unreasonable delay.

18        This subsection (k-1) is the only penalty provision within  
19        the Act applicable to delay of authorization of medical  
20        treatment and shall apply only to health care services provided  
21        or proposed to be provided on or after the effective date of  
22        this amendatory Act of the 100th General Assembly.

23        (l) If the employee has made written demand for payment of  
24        benefits under Section 8(a) or Section 8(b), the employer shall  
25        have 14 days after receipt of the demand to set forth in  
26        writing the reason for the delay. In the case of demand for

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1        payment of medical benefits under Section 8(a), the time for  
2        the employer to respond shall not commence until the expiration  
3        of the allotted 30 days specified under Section 8.2(d). In case  
4        the employer or his or her insurance carrier shall without good  
5        and just cause fail, neglect, refuse, or unreasonably delay the  
6        payment of benefits under Section 8(a) or Section 8(b), the  
7        Arbitrator or the Commission shall allow to the employee  
8        additional compensation in the sum of \$30 per day for each day  
9        that the benefits under Section 8(a) or Section 8(b) have been  
10       so withheld or refused, not to exceed \$10,000. A delay in  
11       payment of 14 days or more shall create a rebuttable  
12       presumption of unreasonable delay.

13        (m) If the commission finds that an accidental injury was  
14        directly and proximately caused by the employer's wilful  
15        violation of a health and safety standard under the Health and  
16        Safety Act or the Occupational Safety and Health Act in force  
17        at the time of the accident, the arbitrator or the Commission  
18        shall allow to the injured employee or his dependents, as the  
19        case may be, additional compensation equal to 25% of the amount  
20        which otherwise would be payable under the provisions of this  
21        Act exclusive of this paragraph. The additional compensation  
22        herein provided shall be allowed by an appropriate increase in  
23        the applicable weekly compensation rate.

24        (n) After June 30, 1984, decisions of the Illinois Workers'  
25        Compensation Commission reviewing an award of an arbitrator of  
26        the Commission shall draw interest at a rate equal to the yield



3 Class A misdemeanor.

4 (2) A violation in which the value of the property  
5 obtained or attempted to be obtained is more than \$300 but  
6 not more than \$10,000 is a Class 3 felony.

7 (3) A violation in which the value of the property  
8 obtained or attempted to be obtained is more than \$10,000  
9 but not more than \$100,000 is a Class 2 felony.

10 (4) A violation in which the value of the property  
11 obtained or attempted to be obtained is more than \$100,000  
12 is a Class 1 felony.

13 (4.5) A violation of paragraph (3), (4), or (7) of  
14 subsection (a) in which the offender did not attempt to  
15 obtain any workers' compensation benefits or other  
16 property of value is a Class A misdemeanor.

17 (4.7) A violation of paragraph (8) of subsection (a)  
18 shall be subject to the same penalty as the offense to  
19 which the offender assisted, abetted, solicited, or  
20 conspired.

21 (5) A person convicted under this Section shall be  
22 ordered to pay monetary restitution to the insurance  
23 company or self-insured entity or any other person for any  
24 financial loss sustained as a result of a violation of this  
25 Section, including any court costs and attorney fees. An  
26 order of restitution also includes expenses incurred and

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1 paid by the State of Illinois or an insurance company or  
2 self-insured entity in connection with any medical  
3 evaluation or treatment services.

4 For the purposes of this Section, where the exact value of  
5 property obtained or attempted to be obtained is either not  
6 alleged or is not specifically set by the terms of a policy of  
7 insurance, the value of the property shall be the fair market  
8 replacement value of the property claimed to be lost, the  
9 reasonable costs of reimbursing a vendor or other claimant for  
10 services to be rendered, or both. Notwithstanding the  
11 foregoing, an insurance company, self-insured entity, or any

1 procure and implement a system utilizing advanced analytics  
2 inclusive of predictive modeling, data mining, social network  
3 analysis, and scoring algorithms for the detection and  
4 prevention of fraud, waste, and abuse on or before January 1,  
5 2012. The fraud and insurance non-compliance unit shall procure  
6 this system using a request for proposals process governed by  
7 the Illinois Procurement Code and rules adopted under that  
8 Code. The fraud and insurance non-compliance unit shall provide  
9 a report to the President of the Senate, Speaker of the House  
10 of Representatives, Minority Leader of the House of  
11 Representatives, Minority Leader of the Senate, Governor,  
12 Chairman of the Commission, and Director of Insurance on or  
13 before July 1, 2012 and annually thereafter detailing its  
14 activities and providing recommendations regarding  
15 opportunities for additional fraud waste and abuse detection  
16 and prevention.

17 (e-7) By July 1, 2017 and thereafter, the fraud and  
18 insurance non-compliance unit shall employ at least 10  
19 investigators to investigate insurance non-compliance and  
20 fraud pursuant to this Section.

21 (f) Any person convicted of fraud related to workers'  
22 compensation pursuant to this Section shall be subject to the  
23 penalties prescribed in the Criminal Code of 2012 and shall be  
24 ineligible to receive or retain any compensation, disability,  
25 or medical benefits as defined in this Act if the compensation,  
26 disability, or medical benefits were owed or received as a

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1 result of fraud for which the recipient of the compensation,  
2 disability, or medical benefit was convicted. This subsection  
3 applies to accidental injuries or diseases that occur on or  
4 after the effective date of this amendatory Act of the 94th  
5 General Assembly.

6 (g) Civil liability. Any person convicted of fraud who  
7 knowingly obtains, attempts to obtain, or causes to be obtained  
8 any benefits under this Act by the making of a false claim or

6 the Commission that are represented by an attorney.

7 (16) The total amount paid by injured workers for  
8 attorney representation.

9 (a-5) The Commission shall annually submit to the Governor  
10 and the General Assembly a written report that details the  
11 state of self-insurance for workers' compensation in Illinois.  
12 The report shall be based on the types of information collected  
13 by the Commission or the Department of Insurance from  
14 self-insurers, as of the effective date of this amendatory Act  
15 of the 100th General Assembly. The report shall be completed by  
16 April 1 of each year, beginning in 2017. The report shall be  
17 posted on the Commission's Internet website. Information to be  
18 included in the report shall be for the preceding calendar  
19 year. The report shall include, at a minimum, the following in  
20 the aggregate:

21 (1) The number of employers that self-insure for  
22 workers' compensation;

23 (2) The total number of employees covered by  
24 self-insurance;

25 (3) The total amount of indemnity payments made by  
26 self-insureds;

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1 (4) The total number of claims on which indemnity  
2 payments were made by self-insureds;

3 (5) The total amount of medical payments made by  
4 self-insureds;

5 (6) The total number of claims on which medical  
6 payments were made by self-insureds;

7 (7) The total number of claims on which both indemnity  
8 and medical payments were made by self-insureds;

9 (8) The median of the injured workers' weekly wage of  
10 self-insureds employees;

11 (9) The growth of total paid indemnity benefits by  
12 temporary total disability, scheduled and non-scheduled  
13 permanent partial disability, and total disability;

14 (10) Illinois' rank, relative to other states, for:

- 15                   (i) the maximum and minimum temporary total  
16                   disability benefit levels;  
17                   (ii) the maximum and minimum scheduled and  
18                   non-scheduled permanent partial disability benefit  
19                   levels;  
20                   (iii) the maximum and minimum total disability  
21                   benefit levels; and  
22                   (iv) the maximum and minimum death benefit levels;  
23                   and  
24                   (11) The aggregate growth of medical benefit payouts by  
25                   non-hospital providers and hospitals.  
26                   (b) The Director of Insurance shall promulgate rules

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- 1                   requiring each insurer licensed to write workers' compensation  
2                   coverage in the State to record and report the following  
3                   information on an aggregate basis to the Department of  
4                   Insurance before March 1 of each year, relating to claims in  
5                   the State opened within the prior calendar year:  
6                   (1) The number of claims opened.  
7                   (2) The number of reported medical only claims.  
8                   (3) The number of contested claims.  
9                   (4) The number of claims for which the employee has  
10                   attorney representation.  
11                   (5) The number of claims with lost time and the number  
12                   of claims for which temporary total disability was paid.  
13                   (6) The number of claim adjusters employed to adjust  
14                   workers' compensation claims.  
15                   (7) The number of claims for which temporary total  
16                   disability was not paid within 14 days from the first full  
17                   day off, regardless of reason.  
18                   (8) The number of medical bills paid 60 days or later  
19                   from date of service and the average days paid on those  
20                   paid after 60 days for the previous calendar year.  
21                   (9) The number of claims in which in-house defense  
22                   counsel participated, and the total amount spent on  
23                   in-house legal services.

24 (10) The number of claims in which outside defense  
 25 counsel participated, and the total amount paid to outside  
 26 defense counsel.

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1 (11) The total amount billed to employers for bill  
 2 review.

3 (12) The total amount billed to employers for fee  
 4 schedule savings.

5 (13) The total amount charged to employers for any and  
 6 all managed care fees.

7 (14) The number of claims involving in-house medical  
 8 nurse case management, and the total amount spent on  
 9 in-house medical nurse case management.

10 (15) The number of claims involving outside medical  
 11 nurse case management, and the total amount paid for  
 12 outside medical nurse case management.

13 (16) The total amount paid for Independent Medical  
 14 exams.

15 (17) The total amount spent on in-house Utilization  
 16 Review for the previous calendar year.

17 (18) The total amount paid for outside Utilization  
 18 Review for the previous calendar year.

19 The Department shall make the submitted information  
 20 publicly available on the Department's Internet website or such  
 21 other media as appropriate in a form useful for consumers.

22 (Source: P.A. 97-18, eff. 6-28-11.)

23 (820 ILCS 305/29.3 new)

24 Sec. 29.3. Workers' Compensation Premium Rates Task Force.

25 (a) There is created the Workers' Compensation Premium

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1 Rates Task Force consisting of 12 members appointed as follows:  
 2 2 legislative members appointed by the Speaker of the House of

3 Representatives; 2 legislative members appointed by the  
4 Minority Leader of the House of Representatives; 2 legislative  
5 members appointed by the President of the Senate; 2 legislative  
6 members appointed by the Minority Leader of the Senate; and one  
7 member appointed by the Governor from each of the following  
8 organizations: (i) a statewide association representing  
9 retailers; (ii) a statewide association representing  
10 manufacturers; (iii) a statewide association representing  
11 labor interests; and (iv) a statewide association representing  
12 injured workers. The members of the Task Force shall be  
13 appointed by April 1, 2017. Two co-chairpersons, representing  
14 different political parties, shall be selected by the members  
15 of the Task Force. Members of the Task Force shall receive no  
16 compensation for their service on the Task Force.

17 (b) The Task Force shall study the National Council on  
18 Compensation Insurance's recommendations for workers'  
19 compensation premium rates, the extent to which Illinois  
20 employers' actual premiums reflect these recommended rates.  
21 The Task Force shall also study the feasibility of establishing  
22 a competitive nonprofit, independent public corporation to  
23 provide workers' compensation insurance and the impact that the  
24 corporation would have on insurance rates and premiums. The  
25 Department of Insurance shall provide administrative support  
26 to the Task Force.

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1 (c) The Task Force shall report its findings and  
2 recommendations to the General Assembly no later than December  
3 31, 2017.

4 (d) This Section is repealed December 31, 2018.

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.

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Sen. Kwame Raoul

Filed: 5/25/2017

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1 AMENDMENT TO HOUSE BILL 2525

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2525 on page 10,  
3 line 1, by changing "8.1b," to "8.1b, 8.2,"; and

4 on page 25, line 25, by replacing "In" with "The foregoing  
5 notwithstanding, in the case of an employee who is employed as  
6 a volunteer, paid-on-call, or part-time firefighter, emergency  
7 medical technician, or paramedic or in ~~in~~"; and

8 on page 43, by replacing lines 24 through 26 with the  
9 following:

10 "fingers, leg, foot, or any toes, or loss under Section 8(d)2  
11 due to accidental injuries to the same part of the spine, such  
12 loss or partial loss of any such member or loss under Section  
13 8(d)2 due to accidental injuries to the same part of the spine  
14 shall be deducted from any award made for the subsequent  
15 injury. For the permanent loss of use or the permanent partial  
16 loss of use of any such member or the partial loss of sight of

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1 an eye or loss under Section 8(d)2 due to accidental injuries  
2 to the same part of the spine, for which compensation has been  
3 paid, then such loss shall be taken into consideration and  
4 deducted from any award for the subsequent injury. For purposes  
5 of this subdivision (e)17 only, "same part of the spine" means:

6 (1) cervical spine and thoracic spine from vertebra C1 through  
7 T12 and (2) lumbar and sacral spine and coccyx from vertebra L1  
8 through S5."; and

9 on page 44, by deleting lines 1 through 4; and

10 on page 58, by inserting immediately below line 13 the  
11 following:

12 "(820 ILCS 305/8.2)

13 .Sec. 8.2. Fee schedule.

14 (a) Except as provided for in subsection (c), for  
15 procedures, treatments, or services covered under this Act and  
16 rendered or to be rendered on and after February 1, 2006, the  
17 maximum allowable payment shall be 90% of the 80th percentile  
18 of charges and fees as determined by the Commission utilizing  
19 information provided by employers' and insurers' national  
20 databases, with a minimum of 12,000,000 Illinois line item  
21 charges and fees comprised of health care provider and hospital  
22 charges and fees as of August 1, 2004 but not earlier than  
23 August 1, 2002. These charges and fees are provider billed

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1 amounts and shall not include discounted charges. The 80th  
2 percentile is the point on an ordered data set from low to high  
3 such that 80% of the cases are below or equal to that point and  
4 at most 20% are above or equal to that point. The Commission  
5 shall adjust these historical charges and fees as of August 1,  
6 2004 by the Consumer Price Index-U for the period August 1,  
7 2004 through September 30, 2005. The Commission shall establish  
8 fee schedules for procedures, treatments, or services for  
9 hospital inpatient, hospital outpatient, emergency room and  
10 trauma, ambulatory surgical treatment centers, and  
11 professional services. These charges and fees shall be  
12 designated by geozip or any smaller geographic unit. The data  
13 shall in no way identify or tend to identify any patient,  
14 employer, or health care provider. As used in this Section,  
15 "geozip" means a three-digit zip code based on data



13 manufacturer's invoice price less rebates, plus actual  
14 reasonable and customary shipping charges whether or not  
15 the implant charge is submitted by a provider in  
16 conjunction with a bill for all other services associated  
17 with the implant, submitted by a provider on a separate  
18 claim form, submitted by a distributor, or submitted by the  
19 manufacturer of the implant. "Implants" include the  
20 following codes or any substantially similar updated code  
21 as determined by the Commission: 0274  
22 (prosthetics/orthotics); 0275 (pacemaker); 0276 (lens  
23 implant); 0278 (implants); 0540 and 0545 (ambulance); 0624  
24 (investigational devices); and 0636 (drugs requiring  
25 detailed coding). Non-implantable devices or supplies  
26 within these codes shall be reimbursed at 65% of actual

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1 charge, which is the provider's normal rates under its  
2 standard chargemaster. A standard chargemaster is the  
3 provider's list of charges for procedures, treatments,  
4 products, supplies, or services used to bill payers in a  
5 consistent manner.

6 (6) The Commission shall automatically update all  
7 codes and associated rules with the version of the codes  
8 and rules valid on January 1 of that year.

9 (a-2) For procedures, treatments, services, or supplies  
10 covered under this Act and rendered or to be rendered on or  
11 after September 1, 2011, the maximum allowable payment shall be  
12 70% of the fee schedule amounts, which shall be adjusted yearly  
13 by the Consumer Price Index-U, as described in subsection (a)  
14 of this Section.

15 (a-3) Prescriptions filled and dispensed outside of a  
16 licensed pharmacy shall be subject to a fee schedule that shall  
17 not exceed the Average Wholesale Price (AWP) plus a dispensing  
18 fee of \$4.18. AWP or its equivalent as registered by the  
19 National Drug Code shall be set forth for that drug on that  
20 date as published in Medispan.

21 (a-4) The Commission, in consultation with the Workers'

22 Compensation Medical Fee Advisory Board, shall promulgate by  
23 rule an evidence-based drug formulary and any rules necessary  
24 for its administration. Prescriptions prescribed for workers'  
25 compensation cases shall be limited to those prescription and  
26 non-prescription drugs and doses on the closed formulary.

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1 A request for a prescription that is not on the closed  
2 formulary shall be reviewed pursuant to Section 8.7 of this  
3 Act.

4 (a-5) Notwithstanding any other provision of this Section,  
5 on or before March 1, 2018 and on or before March 1 of each  
6 subsequent year, the Commission must investigate all  
7 procedures, treatments, and services covered under this Act for  
8 ambulatory surgical treatment centers and accredited  
9 ambulatory surgical treatment facilities and establish fee  
10 schedule amounts for procedures, treatments, and services for  
11 which fee schedule amounts have not been established. The  
12 Commission must adopt, in a timely and ongoing manner, all  
13 rules necessary to ensure that its responsibilities under this  
14 subsection are carried out.

15 (b) Notwithstanding the provisions of subsection (a), if  
16 the Commission finds that there is a significant limitation on  
17 access to quality health care in either a specific field of  
18 health care services or a specific geographic limitation on  
19 access to health care, it may change the Consumer Price Index-U  
20 increase or decrease for that specific field or specific  
21 geographic limitation on access to health care to address that  
22 limitation.

23 (c) The Commission shall establish by rule a process to  
24 review those medical cases or outliers that involve  
25 extra-ordinary treatment to determine whether to make an  
26 additional adjustment to the maximum payment within a fee

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