



Legislative Activity Report

National Council on Compensation Insurance

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Regulatory Services

August 12, 2016

RLA-2016-30

Report Contact: Legislative_Activity@ncci.com

State Issues Contacts: Please refer to the list of State Relations Executives at the end of this report.

LEGISLATIVE ACTIVITY—LEGISLATIVE SESSION UPDATES

This report contains descriptions and/or excerpts of relevant bills that passed the first chamber, passed the second chamber, or were enacted during the specific periods. In addition, a recap of significant legislative and judicial activity impacting the workers compensation system will be included in the first report published each month. This report is issued on a weekly basis throughout the legislative season, and it provides updates on the content of these bills if and when they progress through the legislative process. This report includes bills from states where NCCI provides ratemaking services (see state list under Contact Information) and the US Congress.

BILLS ENACTED

The following workers compensation-related bill was enacted within the one-week period ending August 5, 2016.

Illinois

HB 6225 was:

- Passed by the first chamber on April 15, 2016
- Included in NCCI's April 22, 2016 *Legislative Activity Report* (RLA-2016-15)
- Passed by the second chamber on May 30, 2016
- Included in NCCI's June 10, 2016 *Legislative Activity Report* (RLA-2016-22)
- Enacted on August 5, 2016, with an effective date of January 1, 2017

HB 6225 amends *sections 215 ILCS 113/25 Record keeping and reporting requirement* and *215 ILCS 113/30 Responsibility for policy issuance and continuance* of the Illinois Compiled Statutes Annotated as follows:

215 ILCS 113/25 Record keeping and reporting requirement

- (a) A lessor shall maintain accounting and employment records relating to all employee leasing arrangements for a minimum of 4 calendar years. A lessor shall maintain the address of each office it maintains in this State, at its principal place of business.
- (b) A lessor shall maintain sufficient information in a manner consistent with a licensed rating organization's data submission requirements to permit the rating organization licensed under Section 459 of the Illinois Insurance Code to calculate an experience modification factor for the lessee.
- (c) Upon written request of a lessee with an annual payroll attributed to it in excess of \$200,000, the lessor shall provide the lessee's experience modification factor to the lessee within 30 days of the request.
- (d) Upon request of a lessee with an annual payroll attributed to it of less than \$200,000, the lessor shall provide the loss information required to be maintained by this Section to the lessee within 30 days of the request.
- (e) Nothing in this Section shall preclude a licensed rating organization from calculating the experience modification factor for each lessee nor an insurer from maintaining and furnishing on behalf of the lessor, such information as required by this Section.
- (f) In the event that a lessee's experience modification factor exceeds the lessor's experience modification factor by 50% at the inception of the employee leasing arrangement, the lessee's experience modification factor shall be utilized to calculate the premium or costs charged to the lessee for workers' compensation coverage for a period of 2 years. Thereafter, the premium charged by the insurer for inclusion of a lessee under a lessor's policy may be calculated on the basis of the lessor's experience modification factor.
- (g) A lessor that does not provide workers' compensation insurance coverage for leased employees of a lessee under an employee leasing arrangement shall not be subject to compliance with subsections (b) through (f) of this Section.

215 ILCS 113/30 Responsibility for policy issuance and continuance

- (a) Either a lessor or lessee may provide workers' compensation insurance coverage for leased employees under an employee leasing arrangement. When a workers' compensation policy written to cover leased employees is issued to the lessor as the named insured, the lessee shall be identified thereon by the attachment of an appropriate endorsement indicating that the policy provides coverage for leased employees. The endorsement shall, at a minimum, provide for the following:

(1) Coverage under the endorsement shall be limited to the named insured's employees leased to the lessees.
 (2) The experience of the employees leased to the particular lessee shall be separately maintained by the lessor as provided in Section 25.
 ...
(f) When the lessee provides workers' compensation coverage for leased employees under an employee leasing arrangement, the lessor shall notify the Department in a manner specified by the Department to ensure proper and timely notification of coverage to the Department.

BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that passed the second chamber within the one-week period ending August 5, 2016.

BILLS PASSING FIRST CHAMBER

There were no relevant workers compensation-related bills that passed the first chamber within the one-week period ending August 5, 2016.

Contact Information

If you have any questions about the legislation or proposals mentioned, please contact the appropriate NCCI state relations executive (listed below) or a representative of your local insurance trade association.

State	State Relations Executive	Phone Number
CT, ME, NH, RI, VT	Laura Backus Hall	802-454-1800
FL, IA	Chris Bailey	850-322-4047
AL, GA, KY, LA, MS	Cathy Booth	205-655-2699
AZ, CO, NM, NV, UT	Maggie Karpuk	818-707-8374
DC, MD, VA, WV	David Benedict	804-380-3005
HI	Carolyn Pearl	808-524-6239
IN, NC, SC, TN	Amy Quinn	803-356-0851
AR, IL, KS, TX	Terri Robinson	501-333-2835
AK, ID, MT, OR	Jessica Epley	503-892-8919
MO, NE, OK, SD	Carla Townsend	314-843-4001
Federal Issues	Tim Tucker	202-403-8526

This report is informational and is not intended to provide an interpretation of state and federal legislation.