



Professional Employer Organization Arrangements

Illinois - as of January 1, 2017

Market Type	Policy Model	Policy Type Code	Endorsements*	Experience Rating Modification Application - While in a PEO Arrangement	Experience Rating Modification Application - Upon Termination of a PEO Arrangement	Data Reporting	Assigned Risk Supplemental Forms	NCCI Filing(s) and Circulars
Voluntary Market	<ul style="list-style-type: none"> Master MCP Client-Direct 	Master <ul style="list-style-type: none"> Code 2 Code 6 or <ul style="list-style-type: none"> Code 3 Code 8 Code 6 	Master PEO Policy <ul style="list-style-type: none"> WC 12 03 09 Client Policy (non-leased) <ul style="list-style-type: none"> WC 00 03 22 A 	Master <ul style="list-style-type: none"> If the PEO is experience rated, but the client is not experience rated, the PEO's experience rating modification will apply to the premium developed for the client's leased workers. If the PEO and the client are experience rated and the client's experience rating modification does not exceed the PEO's experience rating modification by 50% or more, the PEO's experience rating modification will apply to the premium developed for the client's leased workers. If the PEO and the client are experience rated and the client's experience rating modification exceeds the PEO's experience rating modification by 50% or more at the inception of the PEO arrangement, the client's experience rating modification will apply to the premium developed for the client's leased workers. Employee Leasing Rating Adjustment A will be added to the PEO's modified premium for two years. Thereafter, the PEO's experience rating modification will apply to the premium developed for the client's leased workers. If the client is experience rated, but the PEO is not experience rated and the client's experience rating modification is 1.50 or more or the client's experience rating modification exceeds a unity (1.00) factor by 50% or more, the client's experience rating modification will apply to the premium developed for the client's leased workers. Employee Leasing Rating Adjustment B will be added to the PEO's modified premium for two years. Thereafter, the PEO's experience rating modification, if any, will apply to the premium developed for the client's leased workers. 	Master All available experience for a former client remains in the PEO's experience rating modification factor until it no longer fits in its rating period Policy of Former Client The client experience rating modification applies	Master Normal unit statistical reporting	N/A	Item 01-IL-2016 (IL-2016-04)
		MCP <ul style="list-style-type: none"> Code 3 Code 4 Code 6 	MCP PEO Policy <ul style="list-style-type: none"> WC 00 03 21 A Client Policy <ul style="list-style-type: none"> WC 00 03 22 A WC 00 03 23 A WC 12 03 08 	MCP PEO Policy—PEO experience rating modification applies Client Policy—Client experience rating modification applies	MCP (PEO and Client Policies) Client Policy for Non-Leased Workers Normal unit statistical reporting			
		Client-Direct <ul style="list-style-type: none"> Code 7 	Client-Direct <ul style="list-style-type: none"> No specific endorsement 	Client-Direct The client experience rating modification applies	Client-Direct Normal unit statistical reporting			
Residual Market**	MCP	MCP <ul style="list-style-type: none"> Code 3 Code 4 Code 6 	MCP PEO Policy <ul style="list-style-type: none"> WC 00 03 21 A Client Policy <ul style="list-style-type: none"> WC 00 03 22 A WC 00 03 23 A WC 12 03 08 	MCP PEO Policy—PEO experience rating modification applies Client Policy—Client experience rating modification applies	MCP (PEO and Client Policies) Client Policy for Non-Leased Workers Normal unit statistical reporting	<ul style="list-style-type: none"> WCIP Professional Employer Organization (PEO) Supplemental Application WCIP Professional Employer Organization (PEO) Client Supplemental Application 	Item 01-IL-2016 (IL-2016-04)	

* Applicable Endorsements must be reported on Policy Record Type 7

** State where NCCI is the Plan Administrator

This comparison is provided as a reference only. All information is subject to change and dependent on notification from the state. In the event that there is a conflict between the applicable state statute and/or regulation and this chart, the applicable state statute and/or regulation will control. Please refer to the state's website for additional information.

Disclaimer:

This guide is comprised of materials and information which are proprietary to NCCI and are protected by United States and international copyright and other intellectual property laws.

This guide is provided solely as a reference tool to be used for the limited purpose of providing information regarding policy, reporting, and rating requirements for professional employer organizations and employee leasing arrangements in various states. The information in this guide shall not be construed or interpreted as providing of legal or any other advice. Use of this guide for any purpose other than as set forth herein is strictly prohibited.

The guide is furnished "As Is" and includes information available at the time of publication only. NCCI makes no representations or warranties of any kind relating to this guide, and expressly disclaims any and all express, statutory, or implied warranties including the implied warranty of merchantability and fitness for a particular purpose. Additionally, you assume responsibility for the use of, and for any and all results, conclusions, analyses, or decisions developed, derived or obtained as a result of this guide and NCCI does not endorse, approve, or otherwise acquiesce in your actions, results, analyses, or decisions, nor shall NCCI have any liability thereto.