

1 AN ACT to amend the Religious and Charitable Risk Pooling 42
2 Trust Act by changing Sections 2, 6, and 15. 44

3 Be it enacted by the People of the State of Illinois, 48
4 represented in the General Assembly: 49

5 Section 5. The Religious and Charitable Risk Pooling 52
6 Trust Act is amended by changing Sections 2, 6, and 15 as 54
7 follows:

8 (215 ILCS 150/2) (from Ch. 148, par. 202) 57

9 Sec. 2. Authorized organizations; purpose. Any number 59
10 of organizations which are all exempt from taxation under 61
11 paragraph (3) subsection-3 of subsection paragraph (c) of 63
12 Section 501 of the Internal Revenue Code of 1954 as amended 64
13 or as it may be amended hereafter are authorized to establish 66
14 and become beneficiaries of a trust fund for the purpose of: 67
15 (1) providing protection for themselves against the risk of 68
16 financial loss due to damage, destruction or loss to property 69
17 or the imposition of legal liability; or (2) providing 70
18 protection for their employees or full-time students, but not 72
19 dependents, against the risk of financial loss due to 72
20 accident, sickness, or disablement. Any of such
21 organizations' affiliated title holding corporations that are 73
22 exempt from taxation under paragraph (2) of subsection (c) of 74
23 Section 501 of the Internal Revenue Code of 1954, as amended 76
24 or as it may be amended hereafter, are authorized to 77
25 establish or become beneficiaries of a trust for the purpose
26 of providing protection for themselves against the risk of 78
27 financial loss due to damage, destruction, or loss to 79
28 property or the imposition of legal liability. 80

29 A hospital or long-term care facility owned and operated 82
30 by a tax exempt unit of local government and such unit of 83
31 local government, in relation to and to the extent of its 84

Clerk of the House

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1 liabilities arising from the ownership or operation of such 85
2 hospital or long-term care facility, may participate in the 86
3 establishment of and may become beneficiaries of a trust fund 87
4 established under this Act for the purpose of providing
5 protection against the risk of financial loss due to the 88
6 imposition of legal liability.
7 (Source: P.A. 88-364.) 90

8 (215 ILCS 150/6) (from Ch. 148, par. 206) 93
9 Sec. 6. Risk pools; risk retention groups. 95

10 (a) A trust fund may enter into written agreements with 98
11 other trust funds established under this Act whereby the
12 risks assumed by any such trust fund may be pooled and shared 99
13 with such other trust funds. 100

14 (b) A trust fund may enter into written agreements for 102
15 the purpose of assuming risks from (i) risk pools or risk 103
16 retention groups established or organized pursuant to the 104
17 laws of any other state exclusively to provide protections, 105
18 as described in this Act, to organizations which are exempt 106
19 from taxation under paragraph subsection (3) of subsection 108
20 paragraph (c) of Section 501 of the Internal Revenue Code, as 109
21 amended from time to time, and their affiliated title holding 110
22 corporations that are exempt from taxation under paragraph
23 (2) of subsection (c) of Section 501 of the Internal Revenue 111
24 Code of 1954, as amended from time to time, or (ii) insurance 113
25 companies with regard to protections, as described in this 114
26 Act, exclusively for organizations which are exempt from 115
27 taxation, as aforesaid. As a condition to such authority, 116
28 any trust fund so assuming risk from any risk pool, risk 117
29 retention group or insurance company, shall, directly or 118
30 through an underwriting manager controlled by it, underwrite
31 risks assumed by it either on a facultative basis or on a 119
32 primary basis pursuant to an underwriting management 120
33 agreement with the entity from which risk is being assumed. 121

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1 Such underwriting management agreement shall provide for 122
 2 underwriting risks assumed on behalf of both the ceding
 3 entity and the assuming trust fund. For purposes of this 123
 4 subsection (b), the term "underwrite" shall include, but not 124
 5 be limited to, classification, selection and pricing of 125
 6 risks.
 7 (Source: P.A. 85-131; 85-329.) 127

8 (215 ILCS 150/15) (from Ch. 148, par. 215) 130
 9 Sec. 15. Ineligible beneficiaries. A beneficiary is 132
 10 ineligible (1) if it is not exempt from taxation under 134
 11 paragraph (3) subsection-3 of subsection (c) paragraph-(c) of 135
 12 Section 501 of the Internal Revenue Code of 1954 as amended, 136
 13 or an affiliate of a corporation exempt from taxation under 137
 14 paragraph (3) of subsection (c) of Section 501 of the 138
 15 Internal Revenue Code, as amended, and exempt from taxation
 16 under paragraph (2) of subsection (c) of Section 501 of the 139
 17 Internal Revenue Code of 1954, as amended, or tax exempt as a 140
 18 unit of local government or as a hospital owned and operated 141
 19 by a unit of local government or; (2) if a corporation, it is 143
 20 not incorporated as a not-for-profit corporation; or (3) if
 21 a foreign or alien corporation, it no longer has a 145
 22 Certificate of Authority issued by the Secretary of State. 146
 23 (Source: P.A. 81-602.) 148

24 Section 99. Effective date. This Act takes effect upon 151
 25 becoming law.

APPROVED

this 20th day of July 20 01 A.D.,
George H. Ryan
 GOVERNOR

Michael J. Madigan
 Speaker, House of Representatives
John Philip
 President of the Senate

