

AN ACT concerning employment.

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

Section 5. The Illinois Insurance Code is amended by changing Section 416 as follows:

(215 ILCS 5/416)

Sec. 416. Illinois Workers' Compensation Commission Operations Fund Surcharge.

(a) As of July 30, 2004 (the effective date of Public Act 93-840), every company licensed or authorized by the Illinois Department of Insurance and insuring employers' liabilities arising under the Workers' Compensation Act or the Workers' Occupational Diseases Act shall remit to the Director a surcharge based upon the annual direct written premium, as reported under Section 136 of this Act, of the company in the manner provided in this Section. Such proceeds shall be deposited into the Illinois Workers' Compensation Commission Operations Fund as established in the Workers' Compensation Act. If a company survives or was formed by a merger, consolidation, reorganization, or reincorporation, the direct written premiums of all companies party to the merger, consolidation, reorganization, or reincorporation shall, for purposes of determining the amount of the fee imposed by this

Section, be regarded as those of the surviving or new company.

(b) Beginning ~~(1) Except as provided in subsection (b) (2) of this Section, beginning~~ on July 30, 2004 (the effective date of Public Act 93-840) and on July 1 of each year thereafter through 2023, the Director shall charge an annual Illinois Workers' Compensation Commission Operations Fund Surcharge from every company subject to subsection (a) of this Section equal to 1.01% of its direct written premium for insuring employers' liabilities arising under the Workers' Compensation Act or Workers' Occupational Diseases Act as reported in each company's annual statement filed for the previous year as required by Section 136. Within 15 days after the effective date of this amendatory Act of the 103rd General Assembly and on July 1 of each year thereafter, the Director shall charge an annual Illinois Workers' Compensation Commission Operations Fund Surcharge from every company subject to subsection (a) of this Section equal to 1.092% of its direct written premium for insuring employers' liabilities arising under the Workers' Compensation Act or Workers' Occupational Diseases Act as reported in each company's annual statement filed for the previous year as required by Section 136. The Illinois Workers' Compensation Commission Operations Fund Surcharge shall be collected by companies subject to subsection (a) of this Section as a separately stated surcharge on insured employers at the rate of 1.092% ~~1.01%~~ of direct written premium for the surcharge due in 2024 and each

year thereafter. The Illinois Workers' Compensation Commission Operations Fund Surcharge shall not be collected by companies subject to subsection (a) of this Section from any employer that self-insures its liabilities arising under the Workers' Compensation Act or Workers' Occupational Diseases Act, provided that the employer has paid the Illinois Workers' Compensation Commission Operations Fund Fee pursuant to Section 4d of the Workers' Compensation Act. All sums collected by the Department of Insurance under the provisions of this Section shall be paid promptly after the receipt of the same, accompanied by a detailed statement thereof, into the Illinois Workers' Compensation Commission Operations Fund in the State treasury.

(b) (2) (Blank). ~~The surcharge due pursuant to Public Act 93-840 shall be collected instead of the surcharge due on July 1, 2004 under Public Act 93-32. Payment of the surcharge due under Public Act 93-840 shall discharge the employer's obligations due on July 1, 2004.~~

(c) In addition to the authority specifically granted under Article XXV of this Code, the Director shall have such authority to adopt rules or establish forms as may be reasonably necessary for purposes of enforcing this Section. The Director shall also have authority to defer, waive, or abate the surcharge or any penalties imposed by this Section if in the Director's opinion the company's solvency and ability to meet its insured obligations would be immediately

threatened by payment of the surcharge due.

(d) When a company fails to pay the full amount of any annual Illinois Workers' Compensation Commission Operations Fund Surcharge of \$100 or more due under this Section, there shall be added to the amount due as a penalty an amount equal to 10% of the deficiency for each month or part of a month that the deficiency remains unpaid.

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

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

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

(Source: P.A. 102-775, eff. 5-13-22.)

Section 10. The Workers' Compensation Act is amended by changing Sections 4, 4a-5, 4d, 7, 19, and 25.5 as follows:

(820 ILCS 305/4) (from Ch. 48, par. 138.4)

(Text of Section from P.A. 101-40 and 102-37)

Sec. 4. (a) Any employer, including but not limited to general contractors and their subcontractors, who shall come within the provisions of Section 3 of this Act, and any other employer who shall elect to provide and pay the compensation provided for in this Act shall:

(1) File with the Commission annually an application for approval as a self-insurer which shall include a current financial statement, and annually, thereafter, an application for renewal of self-insurance, which shall include a current financial statement. Said application and financial statement shall be signed and sworn to by the president or vice president and secretary or assistant secretary of the employer if it be a corporation, or by all of the partners, if it be a copartnership, or by the owner if it be neither a copartnership nor a corporation. All initial applications and all applications for renewal of

self-insurance must be submitted at least 60 days prior to the requested effective date of self-insurance. An employer may elect to provide and pay compensation as provided for in this Act as a member of a group workers' compensation pool under Article V 3/4 of the Illinois Insurance Code. If an employer becomes a member of a group workers' compensation pool, the employer shall not be relieved of any obligations imposed by this Act.

If the sworn application and financial statement of any such employer does not satisfy the Commission of the financial ability of the employer who has filed it, the Commission shall require such employer to,

(2) Furnish security, indemnity or a bond guaranteeing the payment by the employer of the compensation provided for in this Act, provided that any such employer whose application and financial statement shall not have satisfied the commission of his or her financial ability and who shall have secured his liability in part by excess liability insurance shall be required to furnish to the Commission security, indemnity or bond guaranteeing his or her payment up to the effective limits of the excess coverage, or

(3) Insure his entire liability to pay such compensation in some insurance carrier authorized, licensed, or permitted to do such insurance business in this State. Every policy of an insurance carrier, insuring

the payment of compensation under this Act shall cover all the employees and the entire compensation liability of the insured: Provided, however, that any employer may insure his or her compensation liability with 2 or more insurance carriers or may insure a part and qualify under subsection 1, 2, or 4 for the remainder of his or her liability to pay such compensation, subject to the following two provisions:

Firstly, the entire compensation liability of the employer to employees working at or from one location shall be insured in one such insurance carrier or shall be self-insured, and

Secondly, the employer shall submit evidence satisfactorily to the Commission that his or her entire liability for the compensation provided for in this Act will be secured. Any provisions in any policy, or in any endorsement attached thereto, attempting to limit or modify in any way, the liability of the insurance carriers issuing the same except as otherwise provided herein shall be wholly void.

Nothing herein contained shall apply to policies of excess liability carriage secured by employers who have been approved by the Commission as self-insurers, or

(4) Make some other provision, satisfactory to the Commission, for the securing of the payment of

compensation provided for in this Act, and

(5) Upon becoming subject to this Act and thereafter as often as the Commission may in writing demand, file with the Commission in form prescribed by it evidence of his or her compliance with the provision of this Section.

(a-1) Regardless of its state of domicile or its principal place of business, an employer shall make payments to its insurance carrier or group self-insurance fund, where applicable, based upon the premium rates of the situs where the work or project is located in Illinois if:

(A) the employer is engaged primarily in the building and construction industry; and

(B) subdivision (a) (3) of this Section applies to the employer or the employer is a member of a group self-insurance plan as defined in subsection (1) of Section 4a.

The Illinois Workers' Compensation Commission shall impose a penalty upon an employer for violation of this subsection (a-1) if:

(i) the employer is given an opportunity at a hearing to present evidence of its compliance with this subsection (a-1); and

(ii) after the hearing, the Commission finds that the employer failed to make payments upon the premium rates of the situs where the work or project is located in Illinois.



The penalty shall not exceed \$1,000 for each day of work for which the employer failed to make payments upon the premium rates of the situs where the work or project is located in Illinois, but the total penalty shall not exceed \$50,000 for each project or each contract under which the work was performed.

Any penalty under this subsection (a-1) must be imposed not later than one year after the expiration of the applicable limitation period specified in subsection (d) of Section 6 of this Act. Penalties imposed under this subsection (a-1) shall be deposited into the Illinois Workers' Compensation Commission Operations Fund, a special fund that is created in the State treasury. Subject to appropriation, moneys in the Fund shall be used solely for the operations of the Illinois Workers' Compensation Commission, the salaries and benefits of the Self-Insurers Advisory Board employees, the operating costs of the Self-Insurers Advisory Board, and by the Department of Insurance for the purposes authorized in subsection (c) of Section 25.5 of this Act.

(a-2) Every Employee Leasing Company (ELC), as defined in Section 15 of the Employee Leasing Company Act, shall at a minimum provide the following information to the Commission or any entity designated by the Commission regarding each workers' compensation insurance policy issued to the ELC:

- (1) Any client company of the ELC listed as an additional named insured.

(2) Any informational schedule attached to the master policy that identifies any individual client company's name, FEIN, and job location.

(3) Any certificate of insurance coverage document issued to a client company specifying its rights and obligations under the master policy that establishes both the identity and status of the client, as well as the dates of inception and termination of coverage, if applicable.

(b) The sworn application and financial statement, or security, indemnity or bond, or amount of insurance, or other provisions, filed, furnished, carried, or made by the employer, as the case may be, shall be subject to the approval of the Commission.

Deposits under escrow agreements shall be cash, negotiable United States government bonds or negotiable general obligation bonds of the State of Illinois. Such cash or bonds shall be deposited in escrow with any State or National Bank or Trust Company having trust authority in the State of Illinois.

Upon the approval of the sworn application and financial statement, security, indemnity or bond or amount of insurance, filed, furnished or carried, as the case may be, the Commission shall send to the employer written notice of its approval thereof. The certificate of compliance by the employer with the provisions of subparagraphs (2) and (3) of paragraph (a) of this Section shall be delivered by the insurance carrier to the Illinois Workers' Compensation

Commission within five days after the effective date of the policy so certified. The insurance so certified shall cover all compensation liability occurring during the time that the insurance is in effect and no further certificate need be filed in case such insurance is renewed, extended or otherwise continued by such carrier. The insurance so certified shall not be cancelled or in the event that such insurance is not renewed, extended or otherwise continued, such insurance shall not be terminated until at least 10 days after receipt by the Illinois Workers' Compensation Commission of notice of the cancellation or termination of said insurance; provided, however, that if the employer has secured insurance from another insurance carrier, or has otherwise secured the payment of compensation in accordance with this Section, and such insurance or other security becomes effective prior to the expiration of the 10 days, cancellation or termination may, at the option of the insurance carrier indicated in such notice, be effective as of the effective date of such other insurance or security.

(c) Whenever the Commission shall find that any corporation, company, association, aggregation of individuals, reciprocal or interinsurers exchange, or other insurer effecting workers' compensation insurance in this State shall be insolvent, financially unsound, or unable to fully meet all payments and liabilities assumed or to be assumed for compensation insurance in this State, or shall practice a

policy of delay or unfairness toward employees in the adjustment, settlement, or payment of benefits due such employees, the Commission may after reasonable notice and hearing order and direct that such corporation, company, association, aggregation of individuals, reciprocal or interinsurers exchange, or insurer, shall from and after a date fixed in such order discontinue the writing of any such workers' compensation insurance in this State. Subject to such modification of the order as the Commission may later make on review of the order, as herein provided, it shall thereupon be unlawful for any such corporation, company, association, aggregation of individuals, reciprocal or interinsurers exchange, or insurer to effect any workers' compensation insurance in this State. A copy of the order shall be served upon the Director of Insurance by registered mail. Whenever the Commission finds that any service or adjustment company used or employed by a self-insured employer or by an insurance carrier to process, adjust, investigate, compromise or otherwise handle claims under this Act, has practiced or is practicing a policy of delay or unfairness toward employees in the adjustment, settlement or payment of benefits due such employees, the Commission may after reasonable notice and hearing order and direct that such service or adjustment company shall from and after a date fixed in such order be prohibited from processing, adjusting, investigating, compromising or otherwise handling claims under this Act.

Whenever the Commission finds that any self-insured employer has practiced or is practicing delay or unfairness toward employees in the adjustment, settlement or payment of benefits due such employees, the Commission may, after reasonable notice and hearing, order and direct that after a date fixed in the order such self-insured employer shall be disqualified to operate as a self-insurer and shall be required to insure his entire liability to pay compensation in some insurance carrier authorized, licensed and permitted to do such insurance business in this State, as provided in subparagraph 3 of paragraph (a) of this Section.

All orders made by the Commission under this Section shall be subject to review by the courts, said review to be taken in the same manner and within the same time as provided by Section 19 of this Act for review of awards and decisions of the Commission, upon the party seeking the review filing with the clerk of the court to which said review is taken a bond in an amount to be fixed and approved by the court to which the review is taken, conditioned upon the payment of all compensation awarded against the person taking said review pending a decision thereof and further conditioned upon such other obligations as the court may impose. Upon the review the Circuit Court shall have power to review all questions of fact as well as of law. The penalty hereinafter provided for in this paragraph shall not attach and shall not begin to run until the final determination of the order of the Commission.

(d) Whenever a Commissioner, with due process and after a hearing, determines an employer has knowingly failed to provide coverage as required by paragraph (a) of this Section, the failure shall be deemed an immediate serious danger to public health, safety, and welfare sufficient to justify service by the Commission of a work-stop order on such employer, requiring the cessation of all business operations of such employer at the place of employment or job site. If a business is declared to be extra hazardous, as defined in Section 3, a Commissioner may issue an emergency work-stop order on such an employer ex parte, prior to holding a hearing, requiring the cessation of all business operations of such employer at the place of employment or job site while awaiting the ruling of the Commission. Whenever a Commissioner issues an emergency work-stop order, the Commission shall issue a notice of emergency work-stop hearing to be posted at the employer's places of employment and job sites. Any law enforcement agency in the State shall, at the request of the Commission, render any assistance necessary to carry out the provisions of this Section, including, but not limited to, preventing any employee of such employer from remaining at a place of employment or job site after a work-stop order has taken effect. Any work-stop order shall be lifted upon proof of insurance as required by this Act. Any orders under this Section are appealable under Section 19(f) to the Circuit Court.

Any individual employer, corporate officer or director of a corporate employer, partner of an employer partnership, or member of an employer limited liability company who knowingly fails to provide coverage as required by paragraph (a) of this Section is guilty of a Class 4 felony. This provision shall not apply to any corporate officer or director of any publicly-owned corporation. Each day's violation constitutes a separate offense. The State's Attorney of the county in which the violation occurred, or the Attorney General, shall bring such actions in the name of the People of the State of Illinois, or may, in addition to other remedies provided in this Section, bring an action for an injunction to restrain the violation or to enjoin the operation of any such employer.

Any individual employer, corporate officer or director of a corporate employer, partner of an employer partnership, or member of an employer limited liability company who negligently fails to provide coverage as required by paragraph (a) of this Section is guilty of a Class A misdemeanor. This provision shall not apply to any corporate officer or director of any publicly-owned corporation. Each day's violation constitutes a separate offense. The State's Attorney of the county in which the violation occurred, or the Attorney General, shall bring such actions in the name of the People of the State of Illinois.

The criminal penalties in this subsection (d) shall not apply where there exists a good faith dispute as to the

existence of an employment relationship. Evidence of good faith shall include, but not be limited to, compliance with the definition of employee as used by the Internal Revenue Service.

All investigative actions must be acted upon within 90 days of the issuance of the complaint. Employers who are subject to and who knowingly fail to comply with this Section shall not be entitled to the benefits of this Act during the period of noncompliance, but shall be liable in an action under any other applicable law of this State. In the action, such employer shall not avail himself or herself of the defenses of assumption of risk or negligence or that the injury was due to a co-employee. In the action, proof of the injury shall constitute prima facie evidence of negligence on the part of such employer and the burden shall be on such employer to show freedom of negligence resulting in the injury. The employer shall not join any other defendant in any such civil action. Nothing in this amendatory Act of the 94th General Assembly shall affect the employee's rights under subdivision (a)3 of Section 1 of this Act. Any employer or carrier who makes payments under subdivision (a)3 of Section 1 of this Act shall have a right of reimbursement from the proceeds of any recovery under this Section.

An employee of an uninsured employer, or the employee's dependents in case death ensued, may, instead of proceeding against the employer in a civil action in court, file an



application for adjustment of claim with the Commission in accordance with the provisions of this Act and the Commission shall hear and determine the application for adjustment of claim in the manner in which other claims are heard and determined before the Commission.

All proceedings under this subsection (d) shall be reported on an annual basis to the Workers' Compensation Advisory Board.

An investigator with the Department of Insurance may issue a citation to any employer that is not in compliance with its obligation to have workers' compensation insurance under this Act. The amount of the fine shall be based on the period of time the employer was in non-compliance, but shall be no less than \$500, and shall not exceed \$10,000. An employer that has been issued a citation shall pay the fine to the Department of Insurance and provide to the Department of Insurance proof that it obtained the required workers' compensation insurance within 10 days after the citation was issued. This Section does not affect any other obligations this Act imposes on employers.

Upon a finding by the Commission, after reasonable notice and hearing, of the knowing and willful failure or refusal of an employer to comply with any of the provisions of paragraph (a) of this Section, the failure or refusal of an employer, service or adjustment company, or an insurance carrier to comply with any order of the Illinois Workers' Compensation

Commission pursuant to paragraph (c) of this Section disqualifying him or her to operate as a self insurer and requiring him or her to insure his or her liability, or the knowing and willful failure of an employer to comply with a citation issued by an investigator with the Department of Insurance, the Commission may assess a civil penalty of up to \$500 per day for each day of such failure or refusal after the effective date of this amendatory Act of 1989. The minimum penalty under this Section shall be the sum of \$10,000. Each day of such failure or refusal shall constitute a separate offense. The Commission may assess the civil penalty personally and individually against the corporate officers and directors of a corporate employer, the partners of an employer partnership, and the members of an employer limited liability company, after a finding of a knowing and willful refusal or failure of each such named corporate officer, director, partner, or member to comply with this Section. The liability for the assessed penalty shall be against the named employer first, and if the named employer fails or refuses to pay the penalty to the Commission within 30 days after the final order of the Commission, then the named corporate officers, directors, partners, or members who have been found to have knowingly and willfully refused or failed to comply with this Section shall be liable for the unpaid penalty or any unpaid portion of the penalty. Upon investigation by the Department of Insurance, the Attorney General shall have the authority to

prosecute all proceedings to enforce the civil and administrative provisions of this Section before the Commission. The Commission and the Department of Insurance shall promulgate procedural rules for enforcing this Section relating to their respective duties prescribed herein.

If an employer is found to be in non-compliance with any provisions of paragraph (a) of this Section more than once, all minimum penalties will double. Therefore, upon the failure or refusal of an employer, service or adjustment company, or insurance carrier to comply with any order of the Commission pursuant to paragraph (c) of this Section disqualifying him or her to operate as a self-insurer and requiring him or her to insure his or her liability, or the knowing and willful failure of an employer to comply with a citation issued by an investigator with the Department of Insurance, the Commission may assess a civil penalty of up to \$1,000 per day for each day of such failure or refusal after the effective date of this amendatory Act of the 101st General Assembly. The minimum penalty under this Section shall be the sum of \$20,000. In addition, employers with 2 or more violations of any provisions of paragraph (a) of this Section may not self-insure for one year or until all penalties are paid.

A Commission decision imposing penalties under this Section may be judicially reviewed only as described in Section 19(f). After expiration of the period for seeking judicial review, the Commission's final decision imposing

penalties may be enforced in the same manner as a judgment entered by a court of competent jurisdiction. The Commission's final decision imposing penalties is a debt due and owing to the State and can be enforced to the same extent as a judgment entered by a circuit court. The Attorney General shall represent the Commission and the Department of Insurance in any action challenging the final decision in circuit court. If the court affirms the Commission's decision, the court shall enter judgment against the employer in the amount of the fines assessed by the Commission. The Attorney General shall make reasonable efforts to collect the amounts due under the Commission's decision.

~~Upon the failure or refusal of any employer, service or adjustment company or insurance carrier to comply with the provisions of this Section and with the orders of the Commission under this Section, or the order of the court on review after final adjudication, the Commission may bring a civil action to recover the amount of the penalty in Cook County or in Sangamon County in which litigation the Commission shall be represented by the Attorney General. The Commission shall send notice of its finding of non-compliance and assessment of the civil penalty to the Attorney General. It shall be the duty of the Attorney General within 30 days after receipt of the notice, to institute prosecutions and promptly prosecute all reported violations of this Section.~~

Any individual employer, corporate officer or director of

a corporate employer, partner of an employer partnership, or member of an employer limited liability company who, with the intent to avoid payment of compensation under this Act to an injured employee or the employee's dependents, knowingly transfers, sells, encumbers, assigns, or in any manner disposes of, conceals, secretes, or destroys any property belonging to the employer, officer, director, partner, or member is guilty of a Class 4 felony.

Penalties and fines collected pursuant to this paragraph (d) shall be deposited upon receipt into a special fund which shall be designated the Injured Workers' Benefit Fund, of which the State Treasurer is ex-officio custodian, such special fund to be held and disbursed in accordance with this paragraph (d) for the purposes hereinafter stated in this paragraph (d), upon the final order of the Commission. The Injured Workers' Benefit Fund shall be deposited the same as are State funds and any interest accruing thereon shall be added thereto every 6 months. The Injured Workers' Benefit Fund is subject to audit the same as State funds and accounts and is protected by the general bond given by the State Treasurer. The Injured Workers' Benefit Fund is considered always appropriated for the purposes of disbursements as provided in this paragraph, and shall be paid out and disbursed as herein provided and shall not at any time be appropriated or diverted to any other use or purpose. Moneys in the Injured Workers' Benefit Fund shall be used only for

payment of workers' compensation benefits for injured employees when the employer has failed to provide coverage as determined under this paragraph (d) and has failed to pay the benefits due to the injured employee. The employer shall reimburse the Injured Workers' Benefit Fund for any amounts paid to an employee on account of the compensation awarded by the Commission. The Attorney General shall make reasonable efforts to obtain reimbursement for the Injured Workers' Benefit Fund.

~~The Commission shall have the right to obtain reimbursement from the employer for compensation obligations paid by the Injured Workers' Benefit Fund.~~ Any such amounts obtained shall be deposited by the Commission into the Injured Workers' Benefit Fund. If an injured employee or his or her personal representative receives payment from the Injured Workers' Benefit Fund, the State of Illinois has the same rights under paragraph (b) of Section 5 that the employer who failed to pay the benefits due to the injured employee would have had if the employer had paid those benefits, and any moneys recovered by the State as a result of the State's exercise of its rights under paragraph (b) of Section 5 shall be deposited into the Injured Workers' Benefit Fund. The custodian of the Injured Workers' Benefit Fund shall be joined with the employer as a party respondent in the application for adjustment of claim. After July 1, 2006, the Commission shall make disbursements from the Fund once each year to each

eligible claimant. An eligible claimant is an injured worker who has within the previous fiscal year obtained a final award for benefits from the Commission against the employer and the Injured Workers' Benefit Fund and has notified the Commission within 90 days of receipt of such award. Within a reasonable time after the end of each fiscal year, the Commission shall make a disbursement to each eligible claimant. At the time of disbursement, if there are insufficient moneys in the Fund to pay all claims, each eligible claimant shall receive a pro-rata share, as determined by the Commission, of the available moneys in the Fund for that year. Payment from the Injured Workers' Benefit Fund to an eligible claimant pursuant to this provision shall discharge the obligations of the Injured Workers' Benefit Fund regarding the award entered by the Commission.

(e) This Act shall not affect or disturb the continuance of any existing insurance, mutual aid, benefit, or relief association or department, whether maintained in whole or in part by the employer or whether maintained by the employees, the payment of benefits of such association or department being guaranteed by the employer or by some person, firm or corporation for him or her: Provided, the employer contributes to such association or department an amount not less than the full compensation herein provided, exclusive of the cost of the maintenance of such association or department and without any expense to the employee. This Act shall not prevent the

organization and maintaining under the insurance laws of this State of any benefit or insurance company for the purpose of insuring against the compensation provided for in this Act, the expense of which is maintained by the employer. This Act shall not prevent the organization or maintaining under the insurance laws of this State of any voluntary mutual aid, benefit or relief association among employees for the payment of additional accident or sick benefits.

(f) No existing insurance, mutual aid, benefit or relief association or department shall, by reason of anything herein contained, be authorized to discontinue its operation without first discharging its obligations to any and all persons carrying insurance in the same or entitled to relief or benefits therein.

(g) Any contract, oral, written or implied, of employment providing for relief benefit, or insurance or any other device whereby the employee is required to pay any premium or premiums for insurance against the compensation provided for in this Act shall be null and void. Any employer withholding from the wages of any employee any amount for the purpose of paying any such premium shall be guilty of a Class B misdemeanor.

In the event the employer does not pay the compensation for which he or she is liable, then an insurance company, association or insurer which may have insured such employer against such liability shall become primarily liable to pay to



the employee, his or her personal representative or beneficiary the compensation required by the provisions of this Act to be paid by such employer. The insurance carrier may be made a party to the proceedings in which the employer is a party and an award may be entered jointly against the employer and the insurance carrier.

(h) It shall be unlawful for any employer, insurance company or service or adjustment company to interfere with, restrain or coerce an employee in any manner whatsoever in the exercise of the rights or remedies granted to him or her by this Act or to discriminate, attempt to discriminate, or threaten to discriminate against an employee in any way because of his or her exercise of the rights or remedies granted to him or her by this Act.

It shall be unlawful for any employer, individually or through any insurance company or service or adjustment company, to discharge or to threaten to discharge, or to refuse to rehire or recall to active service in a suitable capacity an employee because of the exercise of his or her rights or remedies granted to him or her by this Act.

(i) If an employer elects to obtain a life insurance policy on his employees, he may also elect to apply such benefits in satisfaction of all or a portion of the death benefits payable under this Act, in which case, the employer's compensation premium shall be reduced accordingly.

(j) Within 45 days of receipt of an initial application or

application to renew self-insurance privileges the Self-Insurers Advisory Board shall review and submit for approval by the Chairman of the Commission recommendations of disposition of all initial applications to self-insure and all applications to renew self-insurance privileges filed by private self-insurers pursuant to the provisions of this Section and Section 4a-9 of this Act. Each private self-insurer shall submit with its initial and renewal applications the application fee required by Section 4a-4 of this Act.

The Chairman of the Commission shall promptly act upon all initial applications and applications for renewal in full accordance with the recommendations of the Board or, should the Chairman disagree with any recommendation of disposition of the Self-Insurer's Advisory Board, he shall within 30 days of receipt of such recommendation provide to the Board in writing the reasons supporting his decision. The Chairman shall also promptly notify the employer of his decision within 15 days of receipt of the recommendation of the Board.

If an employer is denied a renewal of self-insurance privileges pursuant to application it shall retain said privilege for 120 days after receipt of a notice of cancellation of the privilege from the Chairman of the Commission.

All orders made by the Chairman under this Section shall be subject to review by the courts, such review to be taken in

the same manner and within the same time as provided by subsection (f) of Section 19 of this Act for review of awards and decisions of the Commission, upon the party seeking the review filing with the clerk of the court to which such review is taken a bond in an amount to be fixed and approved by the court to which the review is taken, conditioned upon the payment of all compensation awarded against the person taking such review pending a decision thereof and further conditioned upon such other obligations as the court may impose. Upon the review the Circuit Court shall have power to review all questions of fact as well as of law.

(Source: P.A. 101-40, eff. 1-1-20; 102-37, eff. 7-1-21.)

(Text of Section from P.A. 101-384 and 102-37)

Sec. 4. (a) Any employer, including but not limited to general contractors and their subcontractors, who shall come within the provisions of Section 3 of this Act, and any other employer who shall elect to provide and pay the compensation provided for in this Act shall:

(1) File with the Commission annually an application for approval as a self-insurer which shall include a current financial statement, and annually, thereafter, an application for renewal of self-insurance, which shall include a current financial statement. Said application and financial statement shall be signed and sworn to by the president or vice president and secretary or assistant

secretary of the employer if it be a corporation, or by all of the partners, if it be a copartnership, or by the owner if it be neither a copartnership nor a corporation. All initial applications and all applications for renewal of self-insurance must be submitted at least 60 days prior to the requested effective date of self-insurance. An employer may elect to provide and pay compensation as provided for in this Act as a member of a group workers' compensation pool under Article V 3/4 of the Illinois Insurance Code. If an employer becomes a member of a group workers' compensation pool, the employer shall not be relieved of any obligations imposed by this Act.

If the sworn application and financial statement of any such employer does not satisfy the Commission of the financial ability of the employer who has filed it, the Commission shall require such employer to,

(2) Furnish security, indemnity or a bond guaranteeing the payment by the employer of the compensation provided for in this Act, provided that any such employer whose application and financial statement shall not have satisfied the commission of his or her financial ability and who shall have secured his liability in part by excess liability insurance shall be required to furnish to the Commission security, indemnity or bond guaranteeing his or her payment up to the effective limits of the excess coverage, or

(3) Insure his entire liability to pay such compensation in some insurance carrier authorized, licensed, or permitted to do such insurance business in this State. Every policy of an insurance carrier, insuring the payment of compensation under this Act shall cover all the employees and the entire compensation liability of the insured: Provided, however, that any employer may insure his or her compensation liability with 2 or more insurance carriers or may insure a part and qualify under subsection 1, 2, or 4 for the remainder of his or her liability to pay such compensation, subject to the following two provisions:

Firstly, the entire compensation liability of the employer to employees working at or from one location shall be insured in one such insurance carrier or shall be self-insured, and

Secondly, the employer shall submit evidence satisfactorily to the Commission that his or her entire liability for the compensation provided for in this Act will be secured. Any provisions in any policy, or in any endorsement attached thereto, attempting to limit or modify in any way, the liability of the insurance carriers issuing the same except as otherwise provided herein shall be wholly void.

Nothing herein contained shall apply to policies of

excess liability carriage secured by employers who have been approved by the Commission as self-insurers, or

(4) Make some other provision, satisfactory to the Commission, for the securing of the payment of compensation provided for in this Act, and

(5) Upon becoming subject to this Act and thereafter as often as the Commission may in writing demand, file with the Commission in form prescribed by it evidence of his or her compliance with the provision of this Section.

(a-1) Regardless of its state of domicile or its principal place of business, an employer shall make payments to its insurance carrier or group self-insurance fund, where applicable, based upon the premium rates of the situs where the work or project is located in Illinois if:

(A) the employer is engaged primarily in the building and construction industry; and

(B) subdivision (a)(3) of this Section applies to the employer or the employer is a member of a group self-insurance plan as defined in subsection (1) of Section 4a.

The Illinois Workers' Compensation Commission shall impose a penalty upon an employer for violation of this subsection (a-1) if:

(i) the employer is given an opportunity at a hearing to present evidence of its compliance with this subsection (a-1); and

(ii) after the hearing, the Commission finds that the employer failed to make payments upon the premium rates of the situs where the work or project is located in Illinois.

The penalty shall not exceed \$1,000 for each day of work for which the employer failed to make payments upon the premium rates of the situs where the work or project is located in Illinois, but the total penalty shall not exceed \$50,000 for each project or each contract under which the work was performed.

Any penalty under this subsection (a-1) must be imposed not later than one year after the expiration of the applicable limitation period specified in subsection (d) of Section 6 of this Act. Penalties imposed under this subsection (a-1) shall be deposited into the Illinois Workers' Compensation Commission Operations Fund, a special fund that is created in the State treasury. Subject to appropriation, moneys in the Fund shall be used solely for the operations of the Illinois Workers' Compensation Commission and by the Department of Insurance for the purposes authorized in subsection (c) of Section 25.5 of this Act.

(a-2) Every Employee Leasing Company (ELC), as defined in Section 15 of the Employee Leasing Company Act, shall at a minimum provide the following information to the Commission or any entity designated by the Commission regarding each workers' compensation insurance policy issued to the ELC:

(1) Any client company of the ELC listed as an additional named insured.

(2) Any informational schedule attached to the master policy that identifies any individual client company's name, FEIN, and job location.

(3) Any certificate of insurance coverage document issued to a client company specifying its rights and obligations under the master policy that establishes both the identity and status of the client, as well as the dates of inception and termination of coverage, if applicable.

(b) The sworn application and financial statement, or security, indemnity or bond, or amount of insurance, or other provisions, filed, furnished, carried, or made by the employer, as the case may be, shall be subject to the approval of the Commission.

Deposits under escrow agreements shall be cash, negotiable United States government bonds or negotiable general obligation bonds of the State of Illinois. Such cash or bonds shall be deposited in escrow with any State or National Bank or Trust Company having trust authority in the State of Illinois.

Upon the approval of the sworn application and financial statement, security, indemnity or bond or amount of insurance, filed, furnished or carried, as the case may be, the Commission shall send to the employer written notice of its approval thereof. The certificate of compliance by the employer with the provisions of subparagraphs (2) and (3) of



paragraph (a) of this Section shall be delivered by the insurance carrier to the Illinois Workers' Compensation Commission within five days after the effective date of the policy so certified. The insurance so certified shall cover all compensation liability occurring during the time that the insurance is in effect and no further certificate need be filed in case such insurance is renewed, extended or otherwise continued by such carrier. The insurance so certified shall not be cancelled or in the event that such insurance is not renewed, extended or otherwise continued, such insurance shall not be terminated until at least 10 days after receipt by the Illinois Workers' Compensation Commission of notice of the cancellation or termination of said insurance; provided, however, that if the employer has secured insurance from another insurance carrier, or has otherwise secured the payment of compensation in accordance with this Section, and such insurance or other security becomes effective prior to the expiration of the 10 days, cancellation or termination may, at the option of the insurance carrier indicated in such notice, be effective as of the effective date of such other insurance or security.

(c) Whenever the Commission shall find that any corporation, company, association, aggregation of individuals, reciprocal or interinsurers exchange, or other insurer effecting workers' compensation insurance in this State shall be insolvent, financially unsound, or unable to fully meet all

payments and liabilities assumed or to be assumed for compensation insurance in this State, or shall practice a policy of delay or unfairness toward employees in the adjustment, settlement, or payment of benefits due such employees, the Commission may after reasonable notice and hearing order and direct that such corporation, company, association, aggregation of individuals, reciprocal or interinsurers exchange, or insurer, shall from and after a date fixed in such order discontinue the writing of any such workers' compensation insurance in this State. Subject to such modification of the order as the Commission may later make on review of the order, as herein provided, it shall thereupon be unlawful for any such corporation, company, association, aggregation of individuals, reciprocal or interinsurers exchange, or insurer to effect any workers' compensation insurance in this State. A copy of the order shall be served upon the Director of Insurance by registered mail. Whenever the Commission finds that any service or adjustment company used or employed by a self-insured employer or by an insurance carrier to process, adjust, investigate, compromise or otherwise handle claims under this Act, has practiced or is practicing a policy of delay or unfairness toward employees in the adjustment, settlement or payment of benefits due such employees, the Commission may after reasonable notice and hearing order and direct that such service or adjustment company shall from and after a date fixed in such order be

prohibited from processing, adjusting, investigating, compromising or otherwise handling claims under this Act.

Whenever the Commission finds that any self-insured employer has practiced or is practicing delay or unfairness toward employees in the adjustment, settlement or payment of benefits due such employees, the Commission may, after reasonable notice and hearing, order and direct that after a date fixed in the order such self-insured employer shall be disqualified to operate as a self-insurer and shall be required to insure his entire liability to pay compensation in some insurance carrier authorized, licensed and permitted to do such insurance business in this State, as provided in subparagraph 3 of paragraph (a) of this Section.

All orders made by the Commission under this Section shall be subject to review by the courts, said review to be taken in the same manner and within the same time as provided by Section 19 of this Act for review of awards and decisions of the Commission, upon the party seeking the review filing with the clerk of the court to which said review is taken a bond in an amount to be fixed and approved by the court to which the review is taken, conditioned upon the payment of all compensation awarded against the person taking said review pending a decision thereof and further conditioned upon such other obligations as the court may impose. Upon the review the Circuit Court shall have power to review all questions of fact as well as of law. The penalty hereinafter provided for in this

paragraph shall not attach and shall not begin to run until the final determination of the order of the Commission.

(d) Whenever a panel of 3 Commissioners comprised of one member of the employing class, one representative of a labor organization recognized under the National Labor Relations Act or an attorney who has represented labor organizations or has represented employees in workers' compensation cases, and one member not identified with either the employing class or a labor organization, with due process and after a hearing, determines an employer has knowingly failed to provide coverage as required by paragraph (a) of this Section, the failure shall be deemed an immediate serious danger to public health, safety, and welfare sufficient to justify service by the Commission of a work-stop order on such employer, requiring the cessation of all business operations of such employer at the place of employment or job site. Any law enforcement agency in the State shall, at the request of the Commission, render any assistance necessary to carry out the provisions of this Section, including, but not limited to, preventing any employee of such employer from remaining at a place of employment or job site after a work-stop order has taken effect. Any work-stop order shall be lifted upon proof of insurance as required by this Act. Any orders under this Section are appealable under Section 19(f) to the Circuit Court.

Any individual employer, corporate officer or director of

a corporate employer, partner of an employer partnership, or member of an employer limited liability company who knowingly fails to provide coverage as required by paragraph (a) of this Section is guilty of a Class 4 felony. This provision shall not apply to any corporate officer or director of any publicly-owned corporation. Each day's violation constitutes a separate offense. The State's Attorney of the county in which the violation occurred, or the Attorney General, shall bring such actions in the name of the People of the State of Illinois, or may, in addition to other remedies provided in this Section, bring an action for an injunction to restrain the violation or to enjoin the operation of any such employer.

Any individual employer, corporate officer or director of a corporate employer, partner of an employer partnership, or member of an employer limited liability company who negligently fails to provide coverage as required by paragraph (a) of this Section is guilty of a Class A misdemeanor. This provision shall not apply to any corporate officer or director of any publicly-owned corporation. Each day's violation constitutes a separate offense. The State's Attorney of the county in which the violation occurred, or the Attorney General, shall bring such actions in the name of the People of the State of Illinois.

The criminal penalties in this subsection (d) shall not apply where there exists a good faith dispute as to the existence of an employment relationship. Evidence of good

faith shall include, but not be limited to, compliance with the definition of employee as used by the Internal Revenue Service.

Employers who are subject to and who knowingly fail to comply with this Section shall not be entitled to the benefits of this Act during the period of noncompliance, but shall be liable in an action under any other applicable law of this State. In the action, such employer shall not avail himself or herself of the defenses of assumption of risk or negligence or that the injury was due to a co-employee. In the action, proof of the injury shall constitute prima facie evidence of negligence on the part of such employer and the burden shall be on such employer to show freedom of negligence resulting in the injury. The employer shall not join any other defendant in any such civil action. Nothing in this amendatory Act of the 94th General Assembly shall affect the employee's rights under subdivision (a)3 of Section 1 of this Act. Any employer or carrier who makes payments under subdivision (a)3 of Section 1 of this Act shall have a right of reimbursement from the proceeds of any recovery under this Section.

An employee of an uninsured employer, or the employee's dependents in case death ensued, may, instead of proceeding against the employer in a civil action in court, file an application for adjustment of claim with the Commission in accordance with the provisions of this Act and the Commission shall hear and determine the application for adjustment of

claim in the manner in which other claims are heard and determined before the Commission.

All proceedings under this subsection (d) shall be reported on an annual basis to the Workers' Compensation Advisory Board.

An investigator with the Department of Insurance may issue a citation to any employer that is not in compliance with its obligation to have workers' compensation insurance under this Act. The amount of the fine shall be based on the period of time the employer was in non-compliance, but shall be no less than \$500, and shall not exceed \$2,500. An employer that has been issued a citation shall pay the fine to the Department of Insurance and provide to the Department of Insurance proof that it obtained the required workers' compensation insurance within 10 days after the citation was issued. This Section does not affect any other obligations this Act imposes on employers.

Upon a finding by the Commission, after reasonable notice and hearing, of the knowing and wilful failure or refusal of an employer to comply with any of the provisions of paragraph (a) of this Section, the failure or refusal of an employer, service or adjustment company, or an insurance carrier to comply with any order of the Illinois Workers' Compensation Commission pursuant to paragraph (c) of this Section disqualifying him or her to operate as a self insurer and requiring him or her to insure his or her liability, or the

knowing and willful failure of an employer to comply with a citation issued by an investigator with the Department of Insurance, the Commission may assess a civil penalty of up to \$500 per day for each day of such failure or refusal after the effective date of this amendatory Act of 1989. The minimum penalty under this Section shall be the sum of \$10,000. Each day of such failure or refusal shall constitute a separate offense. The Commission may assess the civil penalty personally and individually against the corporate officers and directors of a corporate employer, the partners of an employer partnership, and the members of an employer limited liability company, after a finding of a knowing and willful refusal or failure of each such named corporate officer, director, partner, or member to comply with this Section. The liability for the assessed penalty shall be against the named employer first, and if the named employer fails or refuses to pay the penalty to the Commission within 30 days after the final order of the Commission, then the named corporate officers, directors, partners, or members who have been found to have knowingly and willfully refused or failed to comply with this Section shall be liable for the unpaid penalty or any unpaid portion of the penalty. Upon investigation by the Department of Insurance, the Attorney General shall have the authority to prosecute all proceedings to enforce the civil and administrative provisions of this Section before the Commission. The Commission and the Department of Insurance



shall promulgate procedural rules for enforcing this Section relating to their respective duties prescribed herein.

A Commission decision imposing penalties under this Section may be judicially reviewed only as described in Section 19(f). After expiration of the period for seeking judicial review, the Commission's final decision imposing penalties may be enforced in the same manner as a judgment entered by a court of competent jurisdiction. The Commission's final decision imposing penalties is a debt due and owing to the State and can be enforced to the same extent as a judgment entered by a circuit court. The Attorney General shall represent the Commission and the Department of Insurance in any action challenging the final decision in circuit court. If the court affirms the Commission's decision, the court shall enter judgment against the employer in the amount of the fines assessed by the Commission. The Attorney General shall make reasonable efforts to collect the amounts due under the Commission's decision.

~~Upon the failure or refusal of any employer, service or adjustment company or insurance carrier to comply with the provisions of this Section and with the orders of the Commission under this Section, or the order of the court on review after final adjudication, the Commission may bring a civil action to recover the amount of the penalty in Cook County or in Sangamon County in which litigation the Commission shall be represented by the Attorney General. The~~

~~Commission shall send notice of its finding of non-compliance and assessment of the civil penalty to the Attorney General. It shall be the duty of the Attorney General within 30 days after receipt of the notice, to institute prosecutions and promptly prosecute all reported violations of this Section.~~

Any individual employer, corporate officer or director of a corporate employer, partner of an employer partnership, or member of an employer limited liability company who, with the intent to avoid payment of compensation under this Act to an injured employee or the employee's dependents, knowingly transfers, sells, encumbers, assigns, or in any manner disposes of, conceals, secretes, or destroys any property belonging to the employer, officer, director, partner, or member is guilty of a Class 4 felony.

Penalties and fines collected pursuant to this paragraph (d) shall be deposited upon receipt into a special fund which shall be designated the Injured Workers' Benefit Fund, of which the State Treasurer is ex-officio custodian, such special fund to be held and disbursed in accordance with this paragraph (d) for the purposes hereinafter stated in this paragraph (d), upon the final order of the Commission. The Injured Workers' Benefit Fund shall be deposited the same as are State funds and any interest accruing thereon shall be added thereto every 6 months. The Injured Workers' Benefit Fund is subject to audit the same as State funds and accounts and is protected by the general bond given by the State

Treasurer. The Injured Workers' Benefit Fund is considered always appropriated for the purposes of disbursements as provided in this paragraph, and shall be paid out and disbursed as herein provided and shall not at any time be appropriated or diverted to any other use or purpose. Moneys in the Injured Workers' Benefit Fund shall be used only for payment of workers' compensation benefits for injured employees when the employer has failed to provide coverage as determined under this paragraph (d) and has failed to pay the benefits due to the injured employee. The employer shall reimburse the Injured Workers' Benefit Fund for any amounts paid to an employee on account of the compensation awarded by the Commission. The Attorney General shall make reasonable efforts to obtain reimbursement for the Injured Workers' Benefit Fund.

~~The Commission shall have the right to obtain reimbursement from the employer for compensation obligations paid by the Injured Workers' Benefit Fund.~~ Any such amounts obtained shall be deposited by the Commission into the Injured Workers' Benefit Fund. If an injured employee or his or her personal representative receives payment from the Injured Workers' Benefit Fund, the State of Illinois has the same rights under paragraph (b) of Section 5 that the employer who failed to pay the benefits due to the injured employee would have had if the employer had paid those benefits, and any moneys recovered by the State as a result of the State's

exercise of its rights under paragraph (b) of Section 5 shall be deposited into the Injured Workers' Benefit Fund. The custodian of the Injured Workers' Benefit Fund shall be joined with the employer as a party respondent in the application for adjustment of claim. After July 1, 2006, the Commission shall make disbursements from the Fund once each year to each eligible claimant. An eligible claimant is an injured worker who has within the previous fiscal year obtained a final award for benefits from the Commission against the employer and the Injured Workers' Benefit Fund and has notified the Commission within 90 days of receipt of such award. Within a reasonable time after the end of each fiscal year, the Commission shall make a disbursement to each eligible claimant. At the time of disbursement, if there are insufficient moneys in the Fund to pay all claims, each eligible claimant shall receive a pro-rata share, as determined by the Commission, of the available moneys in the Fund for that year. Payment from the Injured Workers' Benefit Fund to an eligible claimant pursuant to this provision shall discharge the obligations of the Injured Workers' Benefit Fund regarding the award entered by the Commission.

(e) This Act shall not affect or disturb the continuance of any existing insurance, mutual aid, benefit, or relief association or department, whether maintained in whole or in part by the employer or whether maintained by the employees, the payment of benefits of such association or department

being guaranteed by the employer or by some person, firm or corporation for him or her: Provided, the employer contributes to such association or department an amount not less than the full compensation herein provided, exclusive of the cost of the maintenance of such association or department and without any expense to the employee. This Act shall not prevent the organization and maintaining under the insurance laws of this State of any benefit or insurance company for the purpose of insuring against the compensation provided for in this Act, the expense of which is maintained by the employer. This Act shall not prevent the organization or maintaining under the insurance laws of this State of any voluntary mutual aid, benefit or relief association among employees for the payment of additional accident or sick benefits.

(f) No existing insurance, mutual aid, benefit or relief association or department shall, by reason of anything herein contained, be authorized to discontinue its operation without first discharging its obligations to any and all persons carrying insurance in the same or entitled to relief or benefits therein.

(g) Any contract, oral, written or implied, of employment providing for relief benefit, or insurance or any other device whereby the employee is required to pay any premium or premiums for insurance against the compensation provided for in this Act shall be null and void. Any employer withholding from the wages of any employee any amount for the purpose of

paying any such premium shall be guilty of a Class B misdemeanor.

In the event the employer does not pay the compensation for which he or she is liable, then an insurance company, association or insurer which may have insured such employer against such liability shall become primarily liable to pay to the employee, his or her personal representative or beneficiary the compensation required by the provisions of this Act to be paid by such employer. The insurance carrier may be made a party to the proceedings in which the employer is a party and an award may be entered jointly against the employer and the insurance carrier.

(h) It shall be unlawful for any employer, insurance company or service or adjustment company to interfere with, restrain or coerce an employee in any manner whatsoever in the exercise of the rights or remedies granted to him or her by this Act or to discriminate, attempt to discriminate, or threaten to discriminate against an employee in any way because of his or her exercise of the rights or remedies granted to him or her by this Act.

It shall be unlawful for any employer, individually or through any insurance company or service or adjustment company, to discharge or to threaten to discharge, or to refuse to rehire or recall to active service in a suitable capacity an employee because of the exercise of his or her rights or remedies granted to him or her by this Act.

(i) If an employer elects to obtain a life insurance policy on his employees, he may also elect to apply such benefits in satisfaction of all or a portion of the death benefits payable under this Act, in which case, the employer's compensation premium shall be reduced accordingly.

(j) Within 45 days of receipt of an initial application or application to renew self-insurance privileges the Self-Insurers Advisory Board shall review and submit for approval by the Chairman of the Commission recommendations of disposition of all initial applications to self-insure and all applications to renew self-insurance privileges filed by private self-insurers pursuant to the provisions of this Section and Section 4a-9 of this Act. Each private self-insurer shall submit with its initial and renewal applications the application fee required by Section 4a-4 of this Act.

The Chairman of the Commission shall promptly act upon all initial applications and applications for renewal in full accordance with the recommendations of the Board or, should the Chairman disagree with any recommendation of disposition of the Self-Insurer's Advisory Board, he shall within 30 days of receipt of such recommendation provide to the Board in writing the reasons supporting his decision. The Chairman shall also promptly notify the employer of his decision within 15 days of receipt of the recommendation of the Board.

If an employer is denied a renewal of self-insurance

privileges pursuant to application it shall retain said privilege for 120 days after receipt of a notice of cancellation of the privilege from the Chairman of the Commission.

All orders made by the Chairman under this Section shall be subject to review by the courts, such review to be taken in the same manner and within the same time as provided by subsection (f) of Section 19 of this Act for review of awards and decisions of the Commission, upon the party seeking the review filing with the clerk of the court to which such review is taken a bond in an amount to be fixed and approved by the court to which the review is taken, conditioned upon the payment of all compensation awarded against the person taking such review pending a decision thereof and further conditioned upon such other obligations as the court may impose. Upon the review the Circuit Court shall have power to review all questions of fact as well as of law.

(Source: P.A. 101-384, eff. 1-1-20; 102-37, eff. 7-1-21.)

(820 ILCS 305/4a-5) (from Ch. 48, par. 138.4a-5)

Sec. 4a-5. There is hereby created a Self-Insurers Security Fund. The State Treasurer shall be the ex officio custodian of the Self-Insurers Security Fund. Moneys in the Fund shall be deposited in a separate account in the same manner as are State Funds and any interest accruing thereon shall be added thereto every 6 months. It shall be subject to



audit the same as State funds and accounts and shall be protected by the general bond given by the State Treasurer. The funds in the Self-Insurers Security Fund shall not be subject to appropriation and shall be made available for the purposes of compensating employees who are eligible to receive benefits from their employers pursuant to the provisions of the Workers' Compensation Act or Workers' Occupational Diseases Act, when, pursuant to this Section, the Board has determined that a private self-insurer has become an insolvent self-insurer and is unable to pay compensation benefits due to financial insolvency. Moneys in the Fund may be used to compensate any type of injury or occupational disease which is compensable under either Act, and for all claims for related administrative fees, operating costs of the Board, attorney's fees, and other costs reasonably incurred by the Board. Moneys in the Self-Insurers Security Fund may also be used for paying the salaries and benefits of the Self-Insurers Advisory Board employees and the operating costs of the Board. The Chairman, with the advice of the Board, may direct the State Comptroller and the State Treasurer to transfer up to \$2,000,000 in any fiscal year from the Self-Insurers Security Fund to the Illinois Workers' Compensation Commission Operations Fund, to the extent that there are insufficient funds in the Illinois Workers' Compensation Commission Operations Fund to pay the operating costs of the Illinois Workers' Compensation Commission or the salaries and benefits of employees of the

Illinois Workers' Compensation Commission. No later than October 31 of the fiscal year following any transfer from the Self-Insurers Security Fund to the Illinois Workers' Compensation Commission Operations Fund, the Chairman, with the advice of the Board, shall direct the State Comptroller and the State Treasurer to transfer from the Illinois Workers' Compensation Commission Operations Fund to the Self-Insurers Security Fund an amount equivalent to the sum of all amounts transferred from the Self-Insurers Security Fund to the Illinois Workers' Compensation Commission Operations Fund in the prior fiscal year with interest at the rate earned by moneys on deposit in the Self-Insurers Security Fund. Upon receipt of funds from any transfer between the Self-Insurers Security Fund and the Illinois Workers' Compensation Commission Operations Fund, the Chairman shall submit notice, including the date and amount of the transfer, to the Governor and the General Assembly. Payment from the Self-Insurers Security Fund shall be made by the Comptroller only upon the authorization of the Chairman as evidenced by properly certified vouchers of the Commission, upon the direction of the Board.

(Source: P.A. 101-40, eff. 1-1-20; 102-558, eff. 8-20-21; 102-910, eff. 5-27-22.)

(820 ILCS 305/4d)

Sec. 4d. Illinois Workers' Compensation Commission

Operations Fund Fee.

(a) As of the effective date of this amendatory Act of the 93rd General Assembly, each employer that self-insures its liabilities arising under this Act or Workers' Occupational Diseases Act shall pay a fee measured by the annual actual wages paid in this State of such an employer in the manner provided in this Section. Such proceeds shall be deposited in the Illinois Workers' Compensation Commission Operations Fund. If an employer survives or was formed by a merger, consolidation, reorganization, or reincorporation, the actual wages paid in this State of all employers party to the merger, consolidation, reorganization, or reincorporation shall, for purposes of determining the amount of the fee imposed by this Section, be regarded as those of the surviving or new employer.

(b) Beginning on July 30, 2004 (the effective date of Public Act 93-840) and on July 1 of each year thereafter through 2023, the Chairman shall charge and collect an annual Illinois Workers' Compensation Commission Operations Fund Fee from every employer subject to subsection (a) of this Section equal to 0.0075% of its annual actual wages paid in this State as reported in each employer's annual self-insurance renewal filed for the previous year as required by Section 4 of this Act and Section 4 of the Workers' Occupational Diseases Act. Beginning on July 1, 2024 and on July 1 of each year thereafter, the Chairman shall charge and collect an annual

Illinois Workers' Compensation Commission Operations Fund Fee from every employer subject to subsection (a) of this Section equal to 0.0081% of its annual actual wages paid in this State as reported in each employer's annual self-insurance renewal filed for the previous year as required by Section 4 of this Act and Section 4 of the Workers' Occupational Diseases Act.

All sums collected by the Commission under the provisions of this Section shall be paid promptly after the receipt of the same, accompanied by a detailed statement thereof, into the Illinois Workers' Compensation Commission Operations Fund. The fee due pursuant to Public Act 93-840 shall be collected instead of the fee due on July 1, 2004 under Public Act 93-32. Payment of the fee due under Public Act 93-840 shall discharge the employer's obligations due on July 1, 2004.

(c) In addition to the authority specifically granted under Section 16, the Chairman shall have such authority to adopt rules or establish forms as may be reasonably necessary for purposes of enforcing this Section. The Commission shall have authority to defer, waive, or abate the fee or any penalties imposed by this Section if in the Commission's opinion the employer's solvency and ability to meet its obligations to pay workers' compensation benefits would be immediately threatened by payment of the fee due.

(d) When an employer fails to pay the full amount of any annual Illinois Workers' Compensation Commission Operations Fund Fee of \$100 or more due under this Section, there shall be

added to the amount due as a penalty the greater of \$1,000 or an amount equal to 5% of the deficiency for each month or part of a month that the deficiency remains unpaid.

(e) The Commission may enforce the collection of any delinquent payment, penalty or portion thereof by legal action or in any other manner by which the collection of debts due the State of Illinois may be enforced under the laws of this State.

(f) Whenever it appears to the satisfaction of the Chairman that an employer has paid pursuant to this Act an Illinois Workers' Compensation Commission Operations Fund Fee in an amount in excess of the amount legally collectable from the employer, the Chairman shall issue a credit memorandum for an amount equal to the amount of such overpayment. A credit memorandum may be applied for the 2-year period from the date of issuance against the payment of any amount due during that period under the fee imposed by this Section or, subject to reasonable rule of the Commission including requirement of notification, may be assigned to any other employer subject to regulation under this Act. Any application of credit memoranda after the period provided for in this Section is void.

(Source: P.A. 95-331, eff. 8-21-07.)

(820 ILCS 305/7) (from Ch. 48, par. 138.7)

Sec. 7. The amount of compensation which shall be paid for an accidental injury to the employee resulting in death is:

(a) If the employee leaves surviving a widow, widower,

child or children, the applicable weekly compensation rate computed in accordance with subparagraph 2 of paragraph (b) of Section 8, shall be payable during the life of the widow or widower and if any surviving child or children shall not be physically or mentally incapacitated then until the death of the widow or widower or until the youngest child shall reach the age of 18, whichever shall come later; provided that if such child or children shall be enrolled as a full time student in any accredited educational institution, the payments shall continue until such child has attained the age of 25. In the event any surviving child or children shall be physically or mentally incapacitated, the payments shall continue for the duration of such incapacity.

The term "child" means a child whom the deceased employee left surviving, including a posthumous child, a child legally adopted, a child whom the deceased employee was legally obligated to support or a child to whom the deceased employee stood in loco parentis. The term "children" means the plural of "child".

The term "physically or mentally incapacitated child or children" means a child or children incapable of engaging in regular and substantial gainful employment.

In the event of the remarriage of a widow or widower, where the decedent did not leave surviving any child or children who, at the time of such remarriage, are entitled to compensation benefits under this Act, the surviving spouse

shall be paid a lump sum equal to 2 years compensation benefits and all further rights of such widow or widower shall be extinguished.

If the employee leaves surviving any child or children under 18 years of age who at the time of death shall be entitled to compensation under this paragraph (a) of this Section, the weekly compensation payments herein provided for such child or children shall in any event continue for a period of not less than 6 years.

Any beneficiary entitled to compensation under this paragraph (a) of this Section shall receive from the special fund provided in paragraph (f) of this Section, in addition to the compensation herein provided, supplemental benefits in accordance with paragraph (g) of Section 8.

(b) If no compensation is payable under paragraph (a) of this Section and the employee leaves surviving a parent or parents who at the time of the accident were totally dependent upon the earnings of the employee then weekly payments equal to the compensation rate payable in the case where the employee leaves surviving a widow or widower, shall be paid to such parent or parents for the duration of their lives, and in the event of the death of either, for the life of the survivor.

(c) If no compensation is payable under paragraphs (a) or (b) of this Section and the employee leaves surviving any child or children who are not entitled to compensation under the foregoing paragraph (a) but who at the time of the accident

were nevertheless in any manner dependent upon the earnings of the employee, or leaves surviving a parent or parents who at the time of the accident were partially dependent upon the earnings of the employee, then there shall be paid to such dependent or dependents for a period of 8 years weekly compensation payments at such proportion of the applicable rate if the employee had left surviving a widow or widower as such dependency bears to total dependency. In the event of the death of any such beneficiary the share of such beneficiary shall be divided equally among the surviving beneficiaries and in the event of the death of the last such beneficiary all the rights under this paragraph shall be extinguished.

(d) If no compensation is payable under paragraphs (a), (b) or (c) of this Section and the employee leaves surviving any grandparent, grandparents, grandchild or grandchildren or collateral heirs dependent upon the employee's earnings to the extent of 50% or more of total dependency, then there shall be paid to such dependent or dependents for a period of 5 years weekly compensation payments at such proportion of the applicable rate if the employee had left surviving a widow or widower as such dependency bears to total dependency. In the event of the death of any such beneficiary the share of such beneficiary shall be divided equally among the surviving beneficiaries and in the event of the death of the last such beneficiary all rights hereunder shall be extinguished.

(e) The compensation to be paid for accidental injury



which results in death, as provided in this Section, shall be paid to the persons who form the basis for determining the amount of compensation to be paid by the employer, the respective shares to be in the proportion of their respective dependency at the time of the accident on the earnings of the deceased. The Commission or an Arbitrator thereof may, in its or his discretion, order or award the payment to the parent or grandparent of a child for the latter's support the amount of compensation which but for such order or award would have been paid to such child as its share of the compensation payable, which order or award may be modified from time to time by the Commission in its discretion with respect to the person to whom shall be paid the amount of the order or award remaining unpaid at the time of the modification.

The payments of compensation by the employer in accordance with the order or award of the Commission discharges such employer from all further obligation as to such compensation.

(f) The sum of \$8,000 for burial expenses shall be paid by the employer to the widow or widower, other dependent, next of kin or to the person or persons incurring the expense of burial.

In the event the employer failed to provide necessary first aid, medical, surgical or hospital service, he shall pay the cost thereof to the person or persons entitled to compensation under paragraphs (a), (b), (c) or (d) of this Section, or to the person or persons incurring the obligation

therefore, or providing the same.

On January 15 and July 15, 1981, and on January 15 and July 15 of each year thereafter the employer shall within 60 days pay a sum equal to  $\frac{1}{8}$  of 1% of all compensation payments made by him after July 1, 1980, either under this Act or the Workers' Occupational Diseases Act, whether by lump sum settlement or weekly compensation payments, but not including hospital, surgical or rehabilitation payments, made during the first 6 months and during the second 6 months respectively of the fiscal year next preceding the date of the payments, into a special fund which shall be designated the "Second Injury Fund", of which the State Treasurer is ex-officio custodian, such special fund to be held and disbursed for the purposes hereinafter stated in paragraphs (f) and (g) of Section 8, either upon the order of the Commission or of a competent court. Said special fund shall be deposited the same as are State funds and any interest accruing thereon shall be added thereto every 6 months. It is subject to audit the same as State funds and accounts and is protected by the General bond given by the State Treasurer. It is considered always appropriated for the purposes of disbursements as provided in Section 8, paragraph (f), of this Act, and shall be paid out and disbursed as therein provided and shall not at any time be appropriated or diverted to any other use or purpose.

On January 15, 1991, the employer shall further pay a sum equal to one half of 1% of all compensation payments made by

him from January 1, 1990 through June 30, 1990 either under this Act or under the Workers' Occupational Diseases Act, whether by lump sum settlement or weekly compensation payments, but not including hospital, surgical or rehabilitation payments, into an additional Special Fund which shall be designated as the "Rate Adjustment Fund". On March 15, 1991, the employer shall pay into the Rate Adjustment Fund a sum equal to one half of 1% of all such compensation payments made from July 1, 1990 through December 31, 1990. Within 60 days after July 15, 1991, the employer shall pay into the Rate Adjustment Fund a sum equal to one half of 1% of all such compensation payments made from January 1, 1991 through June 30, 1991. Within 60 days after January 15 of 1992 and each subsequent year through 1996, the employer shall pay into the Rate Adjustment Fund a sum equal to one half of 1% of all such compensation payments made in the last 6 months of the preceding calendar year. Within 60 days after July 15 of 1992 and each subsequent year through 1995, the employer shall pay into the Rate Adjustment Fund a sum equal to one half of 1% of all such compensation payments made in the first 6 months of the same calendar year. Within 60 days after January 15 of 1997 and each subsequent year through 2005, the employer shall pay into the Rate Adjustment Fund a sum equal to three-fourths of 1% of all such compensation payments made in the last 6 months of the preceding calendar year. Within 60 days after July 15 of 1996 and each subsequent year through 2004, the employer shall

pay into the Rate Adjustment Fund a sum equal to three-fourths of 1% of all such compensation payments made in the first 6 months of the same calendar year. Within 60 days after July 15 of 2005, the employer shall pay into the Rate Adjustment Fund a sum equal to 1% of such compensation payments made in the first 6 months of the same calendar year. Within 60 days after January 15 of 2006 and each subsequent year through 2024, the employer shall pay into the Rate Adjustment Fund a sum equal to 1.25% of such compensation payments made in the last 6 months of the preceding calendar year. Within 60 days after July 15 of 2006 and each subsequent year through 2023, the employer shall pay into the Rate Adjustment Fund a sum equal to 1.25% of such compensation payments made in the first 6 months of the same calendar year. Within 60 days after July 15 of 2024 and each subsequent year thereafter, the employer shall pay into the Rate Adjustment Fund a sum equal to 1.375% of such compensation payments made in the first 6 months of the same calendar year. Within 60 days after January 15 of 2025 and each subsequent year thereafter, the employer shall pay into the Rate Adjustment Fund a sum equal to 1.375% of such compensation payments made in the last 6 months of the preceding calendar year. The administrative costs of collecting assessments from employers for the Rate Adjustment Fund shall be paid from the Rate Adjustment Fund. The cost of an actuarial audit of the Fund shall be paid from the Rate Adjustment Fund. The State Treasurer is ex officio custodian

of such Special Fund and the same shall be held and disbursed for the purposes hereinafter stated in paragraphs (f) and (g) of Section 8 upon the order of the Commission or of a competent court. The Rate Adjustment Fund shall be deposited the same as are State funds and any interest accruing thereon shall be added thereto every 6 months. It shall be subject to audit the same as State funds and accounts and shall be protected by the general bond given by the State Treasurer. It is considered always appropriated for the purposes of disbursements as provided in paragraphs (f) and (g) of Section 8 of this Act and shall be paid out and disbursed as therein provided and shall not at any time be appropriated or diverted to any other use or purpose. Within 5 days after the effective date of this amendatory Act of 1990, the Comptroller and the State Treasurer shall transfer \$1,000,000 from the General Revenue Fund to the Rate Adjustment Fund. By February 15, 1991, the Comptroller and the State Treasurer shall transfer \$1,000,000 from the Rate Adjustment Fund to the General Revenue Fund. The Comptroller and Treasurer are authorized to make transfers at the request of the Chairman up to a total of \$19,000,000 from the Second Injury Fund, the General Revenue Fund, and the Workers' Compensation Benefit Trust Fund to the Rate Adjustment Fund to the extent that there is insufficient money in the Rate Adjustment Fund to pay claims and obligations. Amounts may be transferred from the General Revenue Fund only if the funds in the Second Injury Fund or the Workers'

Compensation Benefit Trust Fund are insufficient to pay claims and obligations of the Rate Adjustment Fund. All amounts transferred from the Second Injury Fund, the General Revenue Fund, and the Workers' Compensation Benefit Trust Fund shall be repaid from the Rate Adjustment Fund within 270 days of a transfer, together with interest at the rate earned by moneys on deposit in the Fund or Funds from which the moneys were transferred.

Upon a finding by the Commission, after reasonable notice and hearing, that any employer has willfully and knowingly failed to pay the proper amounts into the Second Injury Fund or the Rate Adjustment Fund required by this Section or if such payments are not made within the time periods prescribed by this Section, the employer shall, in addition to such payments, pay a penalty of 20% of the amount required to be paid or \$2,500, whichever is greater, for each year or part thereof of such failure to pay. This penalty shall only apply to obligations of an employer to the Second Injury Fund or the Rate Adjustment Fund accruing after the effective date of this amendatory Act of 1989. All or part of such a penalty may be waived by the Commission for good cause shown.

Any obligations of an employer to the Second Injury Fund and Rate Adjustment Fund accruing prior to the effective date of this amendatory Act of 1989 shall be paid in full by such employer within 5 years of the effective date of this amendatory Act of 1989, with at least one-fifth of such

obligation to be paid during each year following the effective date of this amendatory Act of 1989. If the Commission finds, following reasonable notice and hearing, that an employer has failed to make timely payment of any obligation accruing under the preceding sentence, the employer shall, in addition to all other payments required by this Section, be liable for a penalty equal to 20% of the overdue obligation or \$2,500, whichever is greater, for each year or part thereof that obligation is overdue. All or part of such a penalty may be waived by the Commission for good cause shown.

The Chairman of the Illinois Workers' Compensation Commission shall, annually, furnish to the Director of the Department of Insurance a list of the amounts paid into the Second Injury Fund and the Rate Adjustment Fund by each insurance company on behalf of their insured employers. The Director shall verify to the Chairman that the amounts paid by each insurance company are accurate as best as the Director can determine from the records available to the Director. The Chairman shall verify that the amounts paid by each self-insurer are accurate as best as the Chairman can determine from records available to the Chairman. The Chairman may require each self-insurer to provide information concerning the total compensation payments made upon which contributions to the Second Injury Fund and the Rate Adjustment Fund are predicated and any additional information establishing that such payments have been made into these

funds. Any deficiencies in payments noted by the Director or Chairman shall be subject to the penalty provisions of this Act.

The State Treasurer, or his duly authorized representative, shall be named as a party to all proceedings in all cases involving claim for the loss of, or the permanent and complete loss of the use of one eye, one foot, one leg, one arm or one hand.

The State Treasurer or his duly authorized agent shall have the same rights as any other party to the proceeding, including the right to petition for review of any award. The reasonable expenses of litigation, such as medical examinations, testimony, and transcript of evidence, incurred by the State Treasurer or his duly authorized representative, shall be borne by the Second Injury Fund.

If the award is not paid within 30 days after the date the award has become final, the Commission shall proceed to take judgment thereon in its own name as is provided for other awards by paragraph (g) of Section 19 of this Act and take the necessary steps to collect the award.

Any person, corporation or organization who has paid or become liable for the payment of burial expenses of the deceased employee may in his or its own name institute proceedings before the Commission for the collection thereof.

For the purpose of administration, receipts and disbursements, the Special Fund provided for in paragraph (f)



of this Section shall be administered jointly with the Special Fund provided for in Section 7, paragraph (f) of the Workers' Occupational Diseases Act.

(g) All compensation, except for burial expenses provided in this Section to be paid in case accident results in death, shall be paid in installments equal to the percentage of the average earnings as provided for in Section 8, paragraph (b) of this Act, at the same intervals at which the wages or earnings of the employees were paid. If this is not feasible, then the installments shall be paid weekly. Such compensation may be paid in a lump sum upon petition as provided in Section 9 of this Act. However, in addition to the benefits provided by Section 9 of this Act where compensation for death is payable to the deceased's widow, widower or to the deceased's widow, widower and one or more children, and where a partial lump sum is applied for by such beneficiary or beneficiaries within 18 months after the deceased's death, the Commission may, in its discretion, grant a partial lump sum of not to exceed 100 weeks of the compensation capitalized at their present value upon the basis of interest calculated at 3% per annum with annual rests, upon a showing that such partial lump sum is for the best interest of such beneficiary or beneficiaries.

(h) In case the injured employee is under 16 years of age at the time of the accident and is illegally employed, the amount of compensation payable under paragraphs (a), (b), (c), (d) and (f) of this Section shall be increased 50%.

Nothing herein contained repeals or amends the provisions of the Child Labor Law relating to the employment of minors under the age of 16 years.

However, where an employer has on file an employment certificate issued pursuant to the Child Labor Law or work permit issued pursuant to the Federal Fair Labor Standards Act, as amended, or a birth certificate properly and duly issued, such certificate, permit or birth certificate is conclusive evidence as to the age of the injured minor employee for the purposes of this Section only.

(i) Whenever the dependents of a deceased employee are noncitizens not residing in the United States, Mexico or Canada, the amount of compensation payable is limited to the beneficiaries described in paragraphs (a), (b) and (c) of this Section and is 50% of the compensation provided in paragraphs (a), (b) and (c) of this Section, except as otherwise provided by treaty.

In a case where any of the persons who would be entitled to compensation is living at any place outside of the United States, then payment shall be made to the personal representative of the deceased employee. The distribution by such personal representative to the persons entitled shall be made to such persons and in such manner as the Commission orders.

(Source: P.A. 102-1030, eff. 5-27-22.)

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

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

(a) It shall be the duty of the Commission upon notification that the parties have failed to reach an agreement, to designate an Arbitrator.

1. Whenever any claimant misconceives his remedy and files an application for adjustment of claim under this Act and it is subsequently discovered, at any time before final disposition of such cause, that the claim for disability or death which was the basis for such application should properly have been made under the Workers' Occupational Diseases Act, then the provisions of Section 19, paragraph (a-1) of the Workers' Occupational Diseases Act having reference to such application shall apply.

2. Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the Workers' Occupational Diseases Act and it is subsequently discovered, at any time before final disposition of such cause that the claim for injury or death which was the basis for such application should properly have been made under this Act, then the application so filed under the Workers' Occupational Diseases Act may be amended in form, substance or both to assert claim for such disability or death under this Act and it shall be deemed to have been so

filed as amended on the date of the original filing thereof, and such compensation may be awarded as is warranted by the whole evidence pursuant to this Act. When such amendment is submitted, further or additional evidence may be heard by the Arbitrator or Commission when deemed necessary. Nothing in this Section contained shall be construed to be or permit a waiver of any provisions of this Act with reference to notice but notice if given shall be deemed to be a notice under the provisions of this Act if given within the time required herein.

(b) The Arbitrator shall make such inquiries and investigations as he or they shall deem necessary and may examine and inspect all books, papers, records, places, or premises relating to the questions in dispute and hear such proper evidence as the parties may submit.

The hearings before the Arbitrator shall be held in the vicinity where the injury occurred after 10 days' notice of the time and place of such hearing shall have been given to each of the parties or their attorneys of record.

The Arbitrator may find that the disabling condition is temporary and has not yet reached a permanent condition and may order the payment of compensation up to the date of the hearing, which award shall be reviewable and enforceable in the same manner as other awards, and in no instance be a bar to a further hearing and determination of a further amount of temporary total compensation or of compensation for permanent

disability, but shall be conclusive as to all other questions except the nature and extent of said disability.

The decision of the Arbitrator shall be filed with the Commission which Commission shall immediately send to each party or his attorney a copy of such decision, together with a notification of the time when it was filed. As of the effective date of this amendatory Act of the 94th General Assembly, all decisions of the Arbitrator shall set forth in writing findings of fact and conclusions of law, separately stated, if requested by either party. Unless a petition for review is filed by either party within 30 days after the receipt by such party of the copy of the decision and notification of time when filed, and unless such party petitioning for a review shall within 35 days after the receipt by him of the copy of the decision, file with the Commission either an agreed statement of the facts appearing upon the hearing before the Arbitrator, or if such party shall so elect a correct transcript of evidence of the proceedings at such hearings, then the decision shall become the decision of the Commission and in the absence of fraud shall be conclusive. The Petition for Review shall contain a statement of the petitioning party's specific exceptions to the decision of the arbitrator. The jurisdiction of the Commission to review the decision of the arbitrator shall not be limited to the exceptions stated in the Petition for Review. The Commission, or any member thereof, may grant further time not exceeding 30 days, in

which to file such agreed statement or transcript of evidence. Such agreed statement of facts or correct transcript of evidence, as the case may be, shall be authenticated by the signatures of the parties or their attorneys, and in the event they do not agree as to the correctness of the transcript of evidence it shall be authenticated by the signature of the Arbitrator designated by the Commission.

Whether the employee is working or not, if the employee is not receiving or has not received medical, surgical, or hospital services or other services or compensation as provided in paragraph (a) of Section 8, or compensation as provided in paragraph (b) of Section 8, the employee may at any time petition for an expedited hearing by an Arbitrator on the issue of whether or not he or she is entitled to receive payment of the services or compensation. Provided the employer continues to pay compensation pursuant to paragraph (b) of Section 8, the employer may at any time petition for an expedited hearing on the issue of whether or not the employee is entitled to receive medical, surgical, or hospital services or other services or compensation as provided in paragraph (a) of Section 8, or compensation as provided in paragraph (b) of Section 8. When an employer has petitioned for an expedited hearing, the employer shall continue to pay compensation as provided in paragraph (b) of Section 8 unless the arbitrator renders a decision that the employee is not entitled to the benefits that are the subject of the expedited hearing or

unless the employee's treating physician has released the employee to return to work at his or her regular job with the employer or the employee actually returns to work at any other job. If the arbitrator renders a decision that the employee is not entitled to the benefits that are the subject of the expedited hearing, a petition for review filed by the employee shall receive the same priority as if the employee had filed a petition for an expedited hearing by an Arbitrator. Neither party shall be entitled to an expedited hearing when the employee has returned to work and the sole issue in dispute amounts to less than 12 weeks of unpaid compensation pursuant to paragraph (b) of Section 8.

Expedited hearings shall have priority over all other petitions and shall be heard by the Arbitrator and Commission with all convenient speed. Any party requesting an expedited hearing shall give notice of a request for an expedited hearing under this paragraph. A copy of the Application for Adjustment of Claim shall be attached to the notice. The Commission shall adopt rules and procedures under which the final decision of the Commission under this paragraph is filed not later than 180 days from the date that the Petition for Review is filed with the Commission.

Where 2 or more insurance carriers, private self-insureds, or a group workers' compensation pool under Article V 3/4 of the Illinois Insurance Code dispute coverage for the same injury, any such insurance carrier, private self-insured, or

group workers' compensation pool may request an expedited hearing pursuant to this paragraph to determine the issue of coverage, provided coverage is the only issue in dispute and all other issues are stipulated and agreed to and further provided that all compensation benefits including medical benefits pursuant to Section 8(a) continue to be paid to or on behalf of petitioner. Any insurance carrier, private self-insured, or group workers' compensation pool that is determined to be liable for coverage for the injury in issue shall reimburse any insurance carrier, private self-insured, or group workers' compensation pool that has paid benefits to or on behalf of petitioner for the injury.

(b-1) If the employee is not receiving medical, surgical or hospital services as provided in paragraph (a) of Section 8 or compensation as provided in paragraph (b) of Section 8, the employee, in accordance with Commission Rules, may file a petition for an emergency hearing by an Arbitrator on the issue of whether or not he is entitled to receive payment of such compensation or services as provided therein. Such petition shall have priority over all other petitions and shall be heard by the Arbitrator and Commission with all convenient speed.

Such petition shall contain the following information and shall be served on the employer at least 15 days before it is filed:

- (i) the date and approximate time of accident;



- (ii) the approximate location of the accident;
- (iii) a description of the accident;
- (iv) the nature of the injury incurred by the employee;
- (v) the identity of the person, if known, to whom the accident was reported and the date on which it was reported;
- (vi) the name and title of the person, if known, representing the employer with whom the employee conferred in any effort to obtain compensation pursuant to paragraph (b) of Section 8 of this Act or medical, surgical or hospital services pursuant to paragraph (a) of Section 8 of this Act and the date of such conference;
- (vii) a statement that the employer has refused to pay compensation pursuant to paragraph (b) of Section 8 of this Act or for medical, surgical or hospital services pursuant to paragraph (a) of Section 8 of this Act;
- (viii) the name and address, if known, of each witness to the accident and of each other person upon whom the employee will rely to support his allegations;
- (ix) the dates of treatment related to the accident by medical practitioners, and the names and addresses of such practitioners, including the dates of treatment related to the accident at any hospitals and the names and addresses of such hospitals, and a signed authorization permitting the employer to examine all medical records of all

practitioners and hospitals named pursuant to this paragraph;

(x) a copy of a signed report by a medical practitioner, relating to the employee's current inability to return to work because of the injuries incurred as a result of the accident or such other documents or affidavits which show that the employee is entitled to receive compensation pursuant to paragraph (b) of Section 8 of this Act or medical, surgical or hospital services pursuant to paragraph (a) of Section 8 of this Act. Such reports, documents or affidavits shall state, if possible, the history of the accident given by the employee, and describe the injury and medical diagnosis, the medical services for such injury which the employee has received and is receiving, the physical activities which the employee cannot currently perform as a result of any impairment or disability due to such injury, and the prognosis for recovery;

(xi) complete copies of any reports, records, documents and affidavits in the possession of the employee on which the employee will rely to support his allegations, provided that the employer shall pay the reasonable cost of reproduction thereof;

(xii) a list of any reports, records, documents and affidavits which the employee has demanded by subpoena and on which he intends to rely to support his allegations;

(xiii) a certification signed by the employee or his representative that the employer has received the petition with the required information 15 days before filing.

Fifteen days after receipt by the employer of the petition with the required information the employee may file said petition and required information and shall serve notice of the filing upon the employer. The employer may file a motion addressed to the sufficiency of the petition. If an objection has been filed to the sufficiency of the petition, the arbitrator shall rule on the objection within 2 working days. If such an objection is filed, the time for filing the final decision of the Commission as provided in this paragraph shall be tolled until the arbitrator has determined that the petition is sufficient.

The employer shall, within 15 days after receipt of the notice that such petition is filed, file with the Commission and serve on the employee or his representative a written response to each claim set forth in the petition, including the legal and factual basis for each disputed allegation and the following information: (i) complete copies of any reports, records, documents and affidavits in the possession of the employer on which the employer intends to rely in support of his response, (ii) a list of any reports, records, documents and affidavits which the employer has demanded by subpoena and on which the employer intends to rely in support of his response, (iii) the name and address of each witness on whom

the employer will rely to support his response, and (iv) the names and addresses of any medical practitioners selected by the employer pursuant to Section 12 of this Act and the time and place of any examination scheduled to be made pursuant to such Section.

Any employer who does not timely file and serve a written response without good cause may not introduce any evidence to dispute any claim of the employee but may cross examine the employee or any witness brought by the employee and otherwise be heard.

No document or other evidence not previously identified by either party with the petition or written response, or by any other means before the hearing, may be introduced into evidence without good cause. If, at the hearing, material information is discovered which was not previously disclosed, the Arbitrator may extend the time for closing proof on the motion of a party for a reasonable period of time which may be more than 30 days. No evidence may be introduced pursuant to this paragraph as to permanent disability. No award may be entered for permanent disability pursuant to this paragraph. Either party may introduce into evidence the testimony taken by deposition of any medical practitioner.

The Commission shall adopt rules, regulations and procedures whereby the final decision of the Commission is filed not later than 90 days from the date the petition for review is filed but in no event later than 180 days from the

date the petition for an emergency hearing is filed with the Illinois Workers' Compensation Commission.

All service required pursuant to this paragraph (b-1) must be by personal service or by certified mail and with evidence of receipt. In addition for the purposes of this paragraph, all service on the employer must be at the premises where the accident occurred if the premises are owned or operated by the employer. Otherwise service must be at the employee's principal place of employment by the employer. If service on the employer is not possible at either of the above, then service shall be at the employer's principal place of business. After initial service in each case, service shall be made on the employer's attorney or designated representative.

(c)(1) At a reasonable time in advance of and in connection with the hearing under Section 19(e) or 19(h), the Commission may on its own motion order an impartial physical or mental examination of a petitioner whose mental or physical condition is in issue, when in the Commission's discretion it appears that such an examination will materially aid in the just determination of the case. The examination shall be made by a member or members of a panel of physicians chosen for their special qualifications by the Illinois State Medical Society. The Commission shall establish procedures by which a physician shall be selected from such list.

(2) Should the Commission at any time during the hearing find that compelling considerations make it advisable to have

an examination and report at that time, the commission may in its discretion so order.

(3) A copy of the report of examination shall be given to the Commission and to the attorneys for the parties.

(4) Either party or the Commission may call the examining physician or physicians to testify. Any physician so called shall be subject to cross-examination.

(5) The examination shall be made, and the physician or physicians, if called, shall testify, without cost to the parties. The Commission shall determine the compensation and the pay of the physician or physicians. The compensation for this service shall not exceed the usual and customary amount for such service.

(6) The fees and payment thereof of all attorneys and physicians for services authorized by the Commission under this Act shall, upon request of either the employer or the employee or the beneficiary affected, be subject to the review and decision of the Commission.

(d) If any employee shall persist in insanitary or injurious practices which tend to either imperil or retard his recovery or shall refuse to submit to such medical, surgical, or hospital treatment as is reasonably essential to promote his recovery, the Commission may, in its discretion, reduce or suspend the compensation of any such injured employee. However, when an employer and employee so agree in writing, the foregoing provision shall not be construed to authorize

the reduction or suspension of compensation of an employee who is relying in good faith, on treatment by prayer or spiritual means alone, in accordance with the tenets and practice of a recognized church or religious denomination, by a duly accredited practitioner thereof.

(e) This paragraph shall apply to all hearings before the Commission. Such hearings may be held in its office or elsewhere as the Commission may deem advisable. The taking of testimony on such hearings may be had before any member of the Commission. If a petition for review and agreed statement of facts or transcript of evidence is filed, as provided herein, the Commission shall promptly review the decision of the Arbitrator and all questions of law or fact which appear from the statement of facts or transcript of evidence.

In all cases in which the hearing before the arbitrator is held after December 18, 1989, no additional evidence shall be introduced by the parties before the Commission on review of the decision of the Arbitrator. In reviewing decisions of an arbitrator the Commission shall award such temporary compensation, permanent compensation and other payments as are due under this Act. The Commission shall file in its office its decision thereon, and shall immediately send to each party or his attorney a copy of such decision and a notification of the time when it was filed. Decisions shall be filed within 60 days after the Statement of Exceptions and Supporting Brief and Response thereto are required to be filed or oral argument

whichever is later.

In the event either party requests oral argument, such argument shall be had before a panel of 3 members of the Commission (or before all available members pursuant to the determination of 7 members of the Commission that such argument be held before all available members of the Commission) pursuant to the rules and regulations of the Commission. A panel of 3 members, which shall be comprised of not more than one representative citizen of the employing class and not more than one representative from a labor organization recognized under the National Labor Relations Act or an attorney who has represented labor organizations or has represented employees in workers' compensation cases, shall hear the argument; provided that if all the issues in dispute are solely the nature and extent of the permanent partial disability, if any, a majority of the panel may deny the request for such argument and such argument shall not be held; and provided further that 7 members of the Commission may determine that the argument be held before all available members of the Commission. A decision of the Commission shall be approved by a majority of Commissioners present at such hearing if any; provided, if no such hearing is held, a decision of the Commission shall be approved by a majority of a panel of 3 members of the Commission as described in this Section. The Commission shall give 10 days' notice to the parties or their attorneys of the time and place of such taking



of testimony and of such argument.

In any case the Commission in its decision may find specially upon any question or questions of law or fact which shall be submitted in writing by either party whether ultimate or otherwise; provided that on issues other than nature and extent of the disability, if any, the Commission in its decision shall find specially upon any question or questions of law or fact, whether ultimate or otherwise, which are submitted in writing by either party; provided further that not more than 5 such questions may be submitted by either party. Any party may, within 20 days after receipt of notice of the Commission's decision, or within such further time, not exceeding 30 days, as the Commission may grant, file with the Commission either an agreed statement of the facts appearing upon the hearing, or, if such party shall so elect, a correct transcript of evidence of the additional proceedings presented before the Commission, in which report the party may embody a correct statement of such other proceedings in the case as such party may desire to have reviewed, such statement of facts or transcript of evidence to be authenticated by the signature of the parties or their attorneys, and in the event that they do not agree, then the authentication of such transcript of evidence shall be by the signature of any member of the Commission.

If a reporter does not for any reason furnish a transcript of the proceedings before the Arbitrator in any case for use on

a hearing for review before the Commission, within the limitations of time as fixed in this Section, the Commission may, in its discretion, order a trial de novo before the Commission in such case upon application of either party. The applications for adjustment of claim and other documents in the nature of pleadings filed by either party, together with the decisions of the Arbitrator and of the Commission and the statement of facts or transcript of evidence hereinbefore provided for in paragraphs (b) and (c) shall be the record of the proceedings of the Commission, and shall be subject to review as hereinafter provided.

At the request of either party or on its own motion, the Commission shall set forth in writing the reasons for the decision, including findings of fact and conclusions of law separately stated. The Commission shall by rule adopt a format for written decisions for the Commission and arbitrators. The written decisions shall be concise and shall succinctly state the facts and reasons for the decision. The Commission may adopt in whole or in part, the decision of the arbitrator as the decision of the Commission. When the Commission does so adopt the decision of the arbitrator, it shall do so by order. Whenever the Commission adopts part of the arbitrator's decision, but not all, it shall include in the order the reasons for not adopting all of the arbitrator's decision. When a majority of a panel, after deliberation, has arrived at its decision, the decision shall be filed as provided in this

Section without unnecessary delay, and without regard to the fact that a member of the panel has expressed an intention to dissent. Any member of the panel may file a dissent. Any dissent shall be filed no later than 10 days after the decision of the majority has been filed.

Decisions rendered by the Commission and dissents, if any, shall be published together by the Commission. The conclusions of law set out in such decisions shall be regarded as precedents by arbitrators for the purpose of achieving a more uniform administration of this Act.

(f) The decision of the Commission acting within its powers, according to the provisions of paragraph (d) of Section 4 and paragraph (e) of this Section shall, in the absence of fraud, be conclusive unless reviewed as in this paragraph hereinafter provided. However, the Arbitrator or the Commission may on his or its own motion, or on the motion of either party, correct any clerical error or errors in computation within 15 days after the date of receipt of any award by such Arbitrator or any decision on review of the Commission and shall have the power to recall the original award on arbitration or decision on review, and issue in lieu thereof such corrected award or decision. Where such correction is made the time for review herein specified shall begin to run from the date of the receipt of the corrected award or decision.

(1) Except in cases of claims against the State of

Illinois other than those claims under Section 18.1, in which case the decision of the Commission shall not be subject to judicial review, the Circuit Court of the county where any of the parties defendant may be found, or if none of the parties defendant can be found in this State then the Circuit Court of the county where the accident occurred, shall by summons to the Commission have power to review all questions of law and fact presented by such record.

A proceeding for review shall be commenced within 20 days of the receipt of notice of the decision of the Commission. The summons shall be issued by the clerk of such court upon written request returnable on a designated return day, not less than 10 or more than 60 days from the date of issuance thereof, and the written request shall contain the last known address of other parties in interest and their attorneys of record who are to be served by summons. Service upon any member of the Commission or the Secretary or the Assistant Secretary thereof shall be service upon the Commission, and service upon other parties in interest and their attorneys of record shall be by summons, and such service shall be made upon the Commission and other parties in interest by mailing notices of the commencement of the proceedings and the return day of the summons to the office of the Commission and to the last known place of residence of

other parties in interest or their attorney or attorneys of record. The clerk of the court issuing the summons shall on the day of issue mail notice of the commencement of the proceedings which shall be done by mailing a copy of the summons to the office of the Commission, and a copy of the summons to the other parties in interest or their attorney or attorneys of record and the clerk of the court shall make certificate that he has so sent said notices in pursuance of this Section, which shall be evidence of service on the Commission and other parties in interest.

The Commission shall not be required to certify the record of their proceedings to the Circuit Court, unless the party commencing the proceedings for review in the Circuit Court as above provided, shall file with the Commission notice of intent to file for review in Circuit Court. It shall be the duty of the Commission upon such filing of notice of intent to file for review in the Circuit Court to prepare a true and correct copy of such testimony and a true and correct copy of all other matters contained in such record and certified to by the Secretary or Assistant Secretary thereof. The changes made to this subdivision (f)(1) by this amendatory Act of the 98th General Assembly apply to any Commission decision entered after the effective date of this amendatory Act of the 98th General Assembly.

No request for a summons may be filed and no summons

shall issue unless the party seeking to review the decision of the Commission shall exhibit to the clerk of the Circuit Court proof of filing with the Commission of the notice of the intent to file for review in the Circuit Court or an affidavit of the attorney setting forth that notice of intent to file for review in the Circuit Court has been given in writing to the Secretary or Assistant Secretary of the Commission.

(2) No such summons shall issue unless the one against whom the Commission shall have rendered an award for the payment of money shall upon the filing of his written request for such summons file with the clerk of the court a bond conditioned that if he shall not successfully prosecute the review, he will pay the award and the costs of the proceedings in the courts. The amount of the bond shall be fixed by any member of the Commission and the surety or sureties of the bond shall be approved by the clerk of the court. The acceptance of the bond by the clerk of the court shall constitute evidence of his approval of the bond.

The following shall not be required to file a bond to secure the payment of the award and the costs of the proceedings in the court to authorize the court to issue such summons:

(1) the State Treasurer, for a fund administered by the State Treasurer ex officio against whom the

Commission shall have rendered an award for the payment of money; and

(2) a county, city, town, township, incorporated village, school district, body politic, or municipal corporation against whom the Commission shall have rendered an award for the payment of money.

The court may confirm or set aside the decision of the Commission. If the decision is set aside and the facts found in the proceedings before the Commission are sufficient, the court may enter such decision as is justified by law, or may remand the cause to the Commission for further proceedings and may state the questions requiring further hearing, and give such other instructions as may be proper. If the court affirms the Commission's decision imposing fines on the employer under subsection (d) of Section 4, the court shall enter judgment against the employer in the amount of the fines assessed by the Commission. Appeals shall be taken to the Appellate Court in accordance with Supreme Court Rules 22(g) and 303. Appeals shall be taken from the Appellate Court to the Supreme Court in accordance with Supreme Court Rule 315.

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

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

(g) Except in the case of a claim against the State of Illinois, either party may present a certified copy of the award of the Arbitrator, or a certified copy of the decision of the Commission when the same has become final, when no proceedings for review are pending, providing for the payment of compensation according to this Act, to the Circuit Court of the county in which such accident occurred or either of the parties are residents, whereupon the court shall enter a judgment in accordance therewith. In a case where the employer refuses to pay compensation according to such final award or such final decision upon which such judgment is entered the court shall in entering judgment thereon, tax as costs against him the reasonable costs and attorney fees in the arbitration proceedings and in the court entering the judgment for the person in whose favor the judgment is entered, which judgment and costs taxed as therein provided shall, until and unless set aside, have the same effect as though duly entered in an action duly tried and determined by the court, and shall with like effect, be entered and docketed. The Circuit Court shall have power at any time upon application to make any such judgment conform to any modification required by any subsequent decision of the Supreme Court upon appeal, or as the result of any subsequent proceedings for review, as



provided in this Act.

Judgment shall not be entered until 15 days' notice of the time and place of the application for the entry of judgment shall be served upon the employer by filing such notice with the Commission, which Commission shall, in case it has on file the address of the employer or the name and address of its agent upon whom notices may be served, immediately send a copy of the notice to the employer or such designated agent.

(h) An agreement or award under this Act providing for compensation in installments, may at any time within 18 months after such agreement or award be reviewed by the Commission at the request of either the employer or the employee, on the ground that the disability of the employee has subsequently recurred, increased, diminished or ended.

However, as to accidents occurring subsequent to July 1, 1955, which are covered by any agreement or award under this Act providing for compensation in installments made as a result of such accident, such agreement or award may at any time within 30 months, or 60 months in the case of an award under Section 8(d)1, after such agreement or award be reviewed by the Commission at the request of either the employer or the employee on the ground that the disability of the employee has subsequently recurred, increased, diminished or ended.

On such review, compensation payments may be re-established, increased, diminished or ended. The Commission shall give 15 days' notice to the parties of the hearing for

review. Any employee, upon any petition for such review being filed by the employer, shall be entitled to one day's notice for each 100 miles necessary to be traveled by him in attending the hearing of the Commission upon the petition, and 3 days in addition thereto. Such employee shall, at the discretion of the Commission, also be entitled to 5 cents per mile necessarily traveled by him within the State of Illinois in attending such hearing, not to exceed a distance of 300 miles, to be taxed by the Commission as costs and deposited with the petition of the employer.

When compensation which is payable in accordance with an award or settlement contract approved by the Commission, is ordered paid in a lump sum by the Commission, no review shall be had as in this paragraph mentioned.

(i) Each party, upon taking any proceedings or steps whatsoever before any Arbitrator, Commission or court, shall file with the Commission his address, or the name and address of any agent upon whom all notices to be given to such party shall be served, either personally or by registered mail, addressed to such party or agent at the last address so filed with the Commission. In the event such party has not filed his address, or the name and address of an agent as above provided, service of any notice may be had by filing such notice with the Commission.

(j) Whenever in any proceeding testimony has been taken or a final decision has been rendered and after the taking of such

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

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

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

(l) If the employee has made written demand for payment of benefits under Section 8(a) or Section 8(b), the employer

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

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

(n) After June 30, 1984, decisions of the Illinois Workers' Compensation Commission reviewing an award of an arbitrator of the Commission shall draw interest at a rate equal to the yield on indebtedness issued by the United States Government with a 26-week maturity next previously auctioned on the day on which the decision is filed. Said rate of interest shall be set forth in the Arbitrator's Decision. Interest shall be drawn from the date of the arbitrator's award on all accrued compensation due the employee through the day prior to the date of payments. However, when an employee appeals an award of an Arbitrator or the Commission, and the appeal results in no change or a decrease in the award, interest shall not further accrue from the date of such appeal.

The employer or his insurance carrier may tender the payments due under the award to stop the further accrual of interest on such award notwithstanding the prosecution by either party of review, certiorari, appeal to the Supreme Court or other steps to reverse, vacate or modify the award.

(o) By the 15th day of each month each insurer providing coverage for losses under this Act shall notify each insured employer of any compensable claim incurred during the preceding month and the amounts paid or reserved on the claim including a summary of the claim and a brief statement of the reasons for compensability. A cumulative report of all claims incurred during a calendar year or continued from the previous

year shall be furnished to the insured employer by the insurer within 30 days after the end of that calendar year.

The insured employer may challenge, in proceeding before the Commission, payments made by the insurer without arbitration and payments made after a case is determined to be noncompensable. If the Commission finds that the case was not compensable, the insurer shall purge its records as to that employer of any loss or expense associated with the claim, reimburse the employer for attorneys' fees arising from the challenge and for any payment required of the employer to the Rate Adjustment Fund or the Second Injury Fund, and may not reflect the loss or expense for rate making purposes. The employee shall not be required to refund the challenged payment. The decision of the Commission may be reviewed in the same manner as in arbitrated cases. No challenge may be initiated under this paragraph more than 3 years after the payment is made. An employer may waive the right of challenge under this paragraph on a case by case basis.

(p) After filing an application for adjustment of claim but prior to the hearing on arbitration the parties may voluntarily agree to submit such application for adjustment of claim for decision by an arbitrator under this subsection (p) where such application for adjustment of claim raises only a dispute over temporary total disability, permanent partial disability or medical expenses. Such agreement shall be in writing in such form as provided by the Commission.

Applications for adjustment of claim submitted for decision by an arbitrator under this subsection (p) shall proceed according to rule as established by the Commission. The Commission shall promulgate rules including, but not limited to, rules to ensure that the parties are adequately informed of their rights under this subsection (p) and of the voluntary nature of proceedings under this subsection (p). The findings of fact made by an arbitrator acting within his or her powers under this subsection (p) in the absence of fraud shall be conclusive. However, the arbitrator may on his own motion, or the motion of either party, correct any clerical errors or errors in computation within 15 days after the date of receipt of such award of the arbitrator and shall have the power to recall the original award on arbitration, and issue in lieu thereof such corrected award. The decision of the arbitrator under this subsection (p) shall be considered the decision of the Commission and proceedings for review of questions of law arising from the decision may be commenced by either party pursuant to subsection (f) of Section 19. The Advisory Board established under Section 13.1 shall compile a list of certified Commission arbitrators, each of whom shall be approved by at least 7 members of the Advisory Board. The chairman shall select 5 persons from such list to serve as arbitrators under this subsection (p). By agreement, the parties shall select one arbitrator from among the 5 persons selected by the chairman except that if the parties do not

agree on an arbitrator from among the 5 persons, the parties may, by agreement, select an arbitrator of the American Arbitration Association, whose fee shall be paid by the State in accordance with rules promulgated by the Commission. Arbitration under this subsection (p) shall be voluntary.

(Source: P.A. 101-384, eff. 1-1-20; 102-775, eff. 5-13-22.)

(820 ILCS 305/25.5)

Sec. 25.5. Unlawful acts; penalties.

(a) It is unlawful for any person, company, corporation, insurance carrier, healthcare provider, or other entity to:

(1) Intentionally present or cause to be presented any false or fraudulent claim for the payment of any workers' compensation benefit.

(2) Intentionally make or cause to be made any false or fraudulent material statement or material representation for the purpose of obtaining or denying any workers' compensation benefit.

(3) Intentionally make or cause to be made any false or fraudulent statements with regard to entitlement to workers' compensation benefits with the intent to prevent an injured worker from making a legitimate claim for any workers' compensation benefits.

(4) Intentionally prepare or provide an invalid, false, or counterfeit certificate of insurance as proof of workers' compensation insurance.



(5) Intentionally make or cause to be made any false or fraudulent material statement or material representation for the purpose of obtaining workers' compensation insurance at less than the proper amount for that insurance.

(6) Intentionally make or cause to be made any false or fraudulent material statement or material representation on an initial or renewal self-insurance application or accompanying financial statement for the purpose of obtaining self-insurance status or reducing the amount of security that may be required to be furnished pursuant to Section 4 of this Act.

(7) Intentionally make or cause to be made any false or fraudulent material statement to the Department of Insurance's fraud and insurance non-compliance unit in the course of an investigation of fraud or insurance non-compliance.

(8) Intentionally assist, abet, solicit, or conspire with any person, company, or other entity to commit any of the acts in paragraph (1), (2), (3), ~~(4)~~, (5), (6), or (7) of this subsection (a).

(8.5) Intentionally assist, abet, solicit, or conspire with any person, company, or other entity to commit any of the acts in paragraph (4) of this subsection (a).

(9) Intentionally present a bill or statement for the payment for medical services that were not provided.

For the purposes of paragraphs (2), (3), (5), (6), (7), and (9), the term "statement" includes any writing, notice, proof of injury, bill for services, hospital or doctor records and reports, or X-ray and test results.

(b) Sentences for violations of paragraphs (1), (2), (3), (5), (6), (7), (8), and (9) of subsection (a) are as follows:

(1) A violation in which the value of the property obtained or attempted to be obtained is \$300 or less is a Class A misdemeanor.

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

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

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

(5) A person convicted under this subsection ~~Section~~ shall be ordered to pay monetary restitution to the injured worker, insurance company, ~~or~~ self-insured entity, or any other person for any financial loss sustained as a result of a violation of this Section, ~~including any court costs and attorney fees.~~ An order of restitution also includes expenses incurred and paid by the State of Illinois, ~~or~~ an insurance company, a ~~or~~ self-insured

entity, an injured worker, or any other person in connection with any medical evaluation or treatment services. For the purposes of this subsection, "person" includes any legal entity created under Section 535 of the Illinois Insurance Code.

For the purposes of this subsection ~~Section~~, where the exact value of property obtained or attempted to be obtained is either not alleged or is not specifically set by the terms of a policy of insurance, the value of the property shall be the fair market replacement value of the property claimed to be lost, the reasonable costs of reimbursing a vendor or other claimant for services to be rendered, or both. Notwithstanding the foregoing, an injured worker, an insurance company, self-insured entity, or any other person suffering financial loss sustained as a result of violation of this Section may seek restitution, including court costs and attorney's fees in a civil action in a court of competent jurisdiction.

(b-5) Sentences for violations of paragraphs (4) and (8.5) of subsection (a) are as follows:

(1) A violation in which the value of the property obtained or attempted to be obtained is \$10,000 or less, is a Class 3 felony and a civil penalty of up to \$10,000 per violation, payable to the Injured Workers' Benefit Fund, shall be assessed.

(2) A violation in which the value of the property obtained or attempted to be obtained is more than \$10,000,

but not more than \$100,000, is a Class 2 felony and a civil penalty of up to \$10,000 per violation, payable to the Injured Workers' Benefit Fund, shall be assessed.

(3) A violation in which the value of the property obtained or attempted to be obtained is more than \$100,000 is a Class 1 felony and a civil penalty of up to \$10,000 per violation, payable to the Injured Workers' Benefit Fund, shall be assessed.

(4) A person convicted under this subsection shall be ordered to pay monetary restitution to the injured worker, insurance company, self-insured entity, or any other person for any financial loss sustained as a result of a violation of this Section. An order of restitution also includes expenses incurred and paid by the State of Illinois, an insurance company, a self-insured entity, an injured person, or any other person in connection with any medical evaluation or treatment services.

For the purposes of this subsection, the value of the property obtained or attempted to be obtained shall be the amount of premiums saved by use of the invalid, false, or counterfeit certificate of insurance, the value of any payments under any contract obtained by reliance on the invalid, false, or counterfeit certificate of insurance, or both. Notwithstanding the foregoing, an injured worker, insurance company, self-insured entity, or any other person suffering financial loss sustained as a result of violation of

this subsection may seek restitution, including court costs and attorney's fees in a civil action in a court of competent jurisdiction.

(c) The Department of Insurance shall establish a fraud and insurance non-compliance unit responsible for investigating incidences of fraud and insurance non-compliance pursuant to this Section. The size of the staff of the unit shall be subject to appropriation by the General Assembly. It shall be the duty of the fraud and insurance non-compliance unit to determine the identity of insurance carriers, employers, employees, or other persons or entities who have violated the fraud and insurance non-compliance provisions of this Section. The fraud and insurance non-compliance unit shall report violations of the fraud and insurance non-compliance provisions of this Section to the Special Prosecutions Bureau of the Criminal Division of the Office of the Attorney General or to the State's Attorney of the county in which the offense allegedly occurred, either of whom has the authority to prosecute violations under this Section.

With respect to the subject of any investigation being conducted, the fraud and insurance non-compliance unit shall have the general power of subpoena of the Department of Insurance, including the authority to issue a subpoena to a medical provider, pursuant to Section 8-802 of the Code of Civil Procedure.

(d) Any person may report allegations of insurance

non-compliance and fraud pursuant to this Section to the Department of Insurance's fraud and insurance non-compliance unit whose duty it shall be to investigate the report. The unit shall notify the Commission of reports of insurance non-compliance. Any person reporting an allegation of insurance non-compliance or fraud against either an employee or employer under this Section must identify himself. Except as provided in this subsection and in subsection (e), all reports shall remain confidential except to refer an investigation to the Attorney General or State's Attorney for prosecution or if the fraud and insurance non-compliance unit's investigation reveals that the conduct reported may be in violation of other laws or regulations of the State of Illinois, the unit may report such conduct to the appropriate governmental agency charged with administering such laws and regulations. Any person who intentionally makes a false report under this Section to the fraud and insurance non-compliance unit is guilty of a Class A misdemeanor.

(e) In order for the fraud and insurance non-compliance unit to investigate a report of fraud related to an employee's claim, (i) the employee must have filed with the Commission an Application for Adjustment of Claim and the employee must have either received or attempted to receive benefits under this Act that are related to the reported fraud or (ii) the employee must have made a written demand for the payment of benefits that are related to the reported fraud. There shall be no

immunity, under this Act or otherwise, for any person who files a false report or who files a report without good and just cause. Confidentiality of medical information shall be strictly maintained. Investigations that are not referred for prosecution shall be destroyed upon the expiration of the statute of limitations for the acts under investigation and shall not be disclosed except that the person making the report shall be notified that the investigation is being closed. It is unlawful for any employer, insurance carrier, service adjustment company, third party administrator, self-insured, or similar entity to file or threaten to file a report of fraud against an employee because of the exercise by the employee of the rights and remedies granted to the employee by this Act.

(e-5) (Blank).

(f) Any person convicted of fraud related to workers' compensation pursuant to this Section shall be subject to the penalties prescribed in the Criminal Code of 2012 and shall be ineligible to receive or retain any compensation, disability, or medical benefits as defined in this Act if the compensation, disability, or medical benefits were owed or received as a result of fraud for which the recipient of the compensation, disability, or medical benefit was convicted. This subsection applies to accidental injuries or diseases that occur on or after the effective date of this amendatory Act of the 94th General Assembly.

(g) Civil liability. Any person convicted of fraud who knowingly obtains, attempts to obtain, or causes to be obtained any benefits under this Act by the making of a false claim or who knowingly misrepresents any material fact shall be civilly liable to the payor of benefits or the insurer or the payor's or insurer's subrogee or assignee in an amount equal to 3 times the value of the benefits or insurance coverage wrongfully obtained or twice the value of the benefits or insurance coverage attempted to be obtained, plus reasonable attorney's fees and expenses incurred by the payor or the payor's subrogee or assignee who successfully brings a claim under this subsection. This subsection applies to accidental injuries or diseases that occur on or after the effective date of this amendatory Act of the 94th General Assembly.

(h) The fraud and insurance non-compliance unit shall submit a written report on an annual basis to the Chairman of the Commission, the Workers' Compensation Advisory Board, the General Assembly, the Governor, and the Attorney General by January 1 and July 1 of each year. This report shall include, at the minimum, the following information:

(1) The number of allegations of insurance non-compliance and fraud reported to the fraud and insurance non-compliance unit.

(2) The source of the reported allegations (individual, employer, or other).



(3) The number of allegations investigated by the fraud and insurance non-compliance unit.

(4) The number of criminal referrals made in accordance with this Section and the entity to which the referral was made.

(5) All proceedings under this Section.

(6) Recommendations regarding opportunities for additional fraud detection.

(Source: P.A. 102-37, eff. 7-1-21.)

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