

SB1545



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1545

Introduced 2/9/2017, by Sen. John G. Mulroe

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-202.5 new

Amends the Illinois Vehicle Code. Provides that if an owner of a vehicle has comprehensive, collision, or other insurance coverage for the damage or loss of a vehicle and the vehicle's certificate of title discloses a lienholder of record, any insurer paying a claim for the damage or loss of the vehicle shall issue the payment directly to the business repairing the vehicle or to both the owner of the vehicle and the lienholder of record. Provides that the provision does not apply to a claim made by a lienholder on a vehicle to secure a loan when the vehicle owner has breached his or her commitment to provide insurance coverage for the damage or loss of the vehicle.

LRB100 08730 AXK 18868 b

A BILL FOR

1 AN ACT concerning transportation.

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

4 Section 5. The Illinois Vehicle Code is amended by adding
5 Section 3-202.5 as follows:

6 (625 ILCS 5/3-202.5 new)

7 Sec. 3-202.5. Insurance payments.

8 (a) If an owner of a vehicle, or the transferee of a
9 vehicle, has comprehensive, collision, or other insurance
10 coverage for the damage or loss of a vehicle and the vehicle's
11 certificate of title discloses a lienholder of record, any
12 insurer paying a claim for the damage or loss of the vehicle
13 shall issue the payment directly to the business repairing the
14 vehicle or to both the owner of the vehicle and the lienholder
15 of record.

16 (b) An insurer's obligation to issue payments under this
17 Section shall not apply to a claim made by a lienholder on a
18 vehicle to secure a loan when the vehicle owner has breached
19 his or her commitment to provide insurance coverage for the
20 damage or loss of the vehicle.