



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2840

Introduced 2/19/2021, by Rep. Joe Sosnowski

SYNOPSIS AS INTRODUCED:

625 ILCS 5/1-164.5	
625 ILCS 5/7-203	from Ch. 95 1/2, par. 7-203
625 ILCS 5/7-311	from Ch. 95 1/2, par. 7-311
625 ILCS 5/7-317	from Ch. 95 1/2, par. 7-317
625 ILCS 5/12-606	from Ch. 95 1/2, par. 12-606
625 ILCS 5/12-707.01	from Ch. 95 1/2, par. 12-707.01

Amends the Illinois Vehicle Code. Increases the minimum mandatory coverage amounts for liability insurance policies in this State and increases the amounts sufficient to satisfy a judgment following a motor vehicle accident as follows: bodily injury or death to any one person from \$25,000 to \$50,000; bodily injury or death to more than one person from \$50,000 to \$100,000; and injury or destruction of property of others from \$20,000 to \$40,000.

LRB102 05073 HEP 15092 b

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
5 changing Sections 1-164.5, 7-203, 7-311, 7-317, 12-606, and
6 12-707.01 as follows:

7 (625 ILCS 5/1-164.5)

8 Sec. 1-164.5. Proof of financial responsibility. Proof of
9 ability to respond in damages for any liability thereafter
10 incurred resulting from the ownership, maintenance, use or
11 operation of a motor vehicle for bodily injury to or death of
12 any person in the amount of \$50,000 ~~\$25,000~~, and subject to
13 this limit for any one person injured or killed, in the amount
14 of \$100,000 ~~\$50,000~~ for bodily injury to or death of 2 or more
15 persons in any one accident, and for damage to property in the
16 amount of \$40,000 ~~\$20,000~~ resulting from any one accident.
17 This proof in these amounts shall be furnished for each motor
18 vehicle registered by every person required to furnish this
19 proof. The changes to this Section made by this amendatory Act
20 of the 98th General Assembly apply only to policies issued or
21 renewed on or after January 1, 2015.

22 (Source: P.A. 98-519, eff. 1-1-15.)

1 (625 ILCS 5/7-203) (from Ch. 95 1/2, par. 7-203)

2 Sec. 7-203. Requirements as to policy or bond. No such
3 policy or bond referred to in Section 7-202 shall be effective
4 under this Section unless issued by an insurance company or
5 surety company authorized to do business in this State, except
6 that if such motor vehicle was not registered in this State, or
7 was a motor vehicle which was registered elsewhere than in
8 this State at the effective date of the policy or bond, or the
9 most recent renewal thereof, such policy or bond shall not be
10 effective under this Section unless the insurance company or
11 surety company, if not authorized to do business in this
12 State, shall execute a power of attorney authorizing the
13 Secretary of State to accept service on its behalf of notice or
14 process in any action upon such policy or bond arising out of
15 such motor vehicle accident. However, every such policy or
16 bond is subject, if the motor vehicle accident has resulted in
17 bodily injury or death, to a limit, exclusive of interest and
18 costs, of not less than \$50,000 ~~\$25,000~~ because of bodily
19 injury to or death of any one person in any one motor vehicle
20 accident and, subject to said limit for one person, to a limit
21 of not less than \$100,000 ~~\$50,000~~ because of bodily injury to
22 or death of 2 or more persons in any one motor vehicle
23 accident, and, if the motor vehicle accident has resulted in
24 injury to or destruction of property, to a limit of not less
25 than \$40,000 ~~\$20,000~~ because of injury to or destruction of
26 property of others in any one motor vehicle accident. The

1 changes to this Section made by this amendatory Act of the 98th
2 General Assembly apply only to policies issued or renewed on
3 or after January 1, 2015.

4 Upon receipt of a written motor vehicle accident report
5 from the Administrator the insurance company or surety company
6 named in such notice shall notify the Administrator within
7 such time and in such manner as the Administrator may require,
8 in case such policy or bond was not in effect at the time of
9 such motor vehicle accident.

10 (Source: P.A. 98-519, eff. 1-1-15.)

11 (625 ILCS 5/7-311) (from Ch. 95 1/2, par. 7-311)

12 Sec. 7-311. Payments sufficient to satisfy requirements.

13 (a) Judgments herein referred to arising out of motor
14 vehicle accidents ~~occurring on or after January 1, 2015 (the~~
15 ~~effective date of Public Act 98-519)~~ shall for the purpose of
16 this Chapter be deemed satisfied:

17 1. when \$50,000 ~~\$25,000~~ has been credited upon any
18 judgment or judgments rendered in excess of that amount
19 for bodily injury to or the death of one person as the
20 result of any one motor vehicle accident; or

21 2. when, subject to said limit of \$50,000 ~~\$25,000~~ as
22 to any one person, the sum of \$100,000 ~~\$50,000~~ has been
23 credited upon any judgment or judgments rendered in excess
24 of that amount for bodily injury to or the death of more
25 than one person as the result of any one motor vehicle

1 accident; or

2 3. when \$40,000 ~~\$20,000~~ has been credited upon any
3 judgment or judgments, rendered in excess of that amount
4 for damages to property of others as a result of any one
5 motor vehicle accident.

6 The changes to this subsection made by Public Act 98-519
7 apply only to policies issued or renewed on or after January 1,
8 2015.

9 (b) Credit for such amounts shall be deemed a satisfaction
10 of any such judgment or judgments in excess of said amounts
11 only for the purposes of this Chapter.

12 (c) Whenever payment has been made in settlement of any
13 claim for bodily injury, death, or property damage arising
14 from a motor vehicle accident resulting in injury, death, or
15 property damage to two or more persons in such accident, any
16 such payment shall be credited in reduction of the amounts
17 provided for in this Section.

18 (Source: P.A. 99-78, eff. 7-20-15; 100-201, eff. 8-18-17.)

19 (625 ILCS 5/7-317) (from Ch. 95 1/2, par. 7-317)

20 Sec. 7-317. "Motor vehicle liability policy" defined.

21 (a) Certification. -A "motor vehicle liability policy", as
22 that term is used in this Act, means an "owner's policy" or an
23 "operator's policy" of liability insurance, certified as
24 provided in Section 7-315 or Section 7-316 as proof of
25 financial responsibility for the future, and issued, except as

1 otherwise provided in Section 7-316, by an insurance carrier
2 duly authorized to transact business in this State, to or for
3 the benefit of the person named therein as insured.

4 (b) Owner's Policy. --Such owner's policy of liability
5 insurance:

6 1. Shall designate by explicit description or by
7 appropriate reference, all motor vehicles with respect to
8 which coverage is thereby intended to be granted;

9 2. Shall insure the person named therein and any other
10 person using or responsible for the use of such motor
11 vehicle or vehicles with the express or implied permission
12 of the insured;

13 3. Shall insure every named insured and any other
14 person using or responsible for the use of any motor
15 vehicle owned by the named insured and used by such other
16 person with the express or implied permission of the named
17 insured on account of the maintenance, use or operation of
18 any motor vehicle owned by the named insured, within the
19 continental limits of the United States or the Dominion of
20 Canada against loss from liability imposed by law arising
21 from such maintenance, use or operation, to the extent and
22 aggregate amount, exclusive of interest and cost, with
23 respect to each motor vehicle, of \$50,000 ~~\$25,000~~ for
24 bodily injury to or death of one person as a result of any
25 one accident and, subject to such limit as to one person,
26 the amount of \$100,000 ~~\$50,000~~ for bodily injury to or

1 death of all persons as a result of any one accident and
2 the amount of \$40,000 ~~\$20,000~~ for damage to property of
3 others as a result of any one accident. The changes to this
4 paragraph made by this amendatory Act of the 98th General
5 Assembly apply only to policies issued or renewed on or
6 after January 1, 2015.

7 (c) Operator's Policy. --When an operator's policy is
8 required, it shall insure the person named therein as insured
9 against the liability imposed by law upon the insured for
10 bodily injury to or death of any person or damage to property
11 to the amounts and limits above set forth and growing out of
12 the use or operation by the insured within the continental
13 limits of the United States or the Dominion of Canada of any
14 motor vehicle not owned by him.

15 (d) Required Statements in Policies. --Every motor vehicle
16 liability policy must specify the name and address of the
17 insured, the coverage afforded by the policy, the premium
18 charged therefor, the policy period, and the limits of
19 liability, and shall contain an agreement that the insurance
20 thereunder is provided in accordance with the coverage defined
21 in this Act, as respects bodily injury and death or property
22 damage or both, and is subject to all the provisions of this
23 Act.

24 (e) Policy Need Not Insure Workers' Compensation. --Any
25 liability policy or policies issued hereunder need not cover
26 any liability of the insured assumed by or imposed upon the

1 insured under any workers' compensation law nor any liability
2 for damage to property in charge of the insured or the
3 insured's employees.

4 (f) Provisions Incorporated in Policy. --Every motor
5 vehicle liability policy is subject to the following
6 provisions which need not be contained therein:

7 1. The liability of the insurance carrier under any
8 such policy shall become absolute whenever loss or damage
9 covered by the policy occurs and the satisfaction by the
10 insured of a final judgment for such loss or damage shall
11 not be a condition precedent to the right or obligation of
12 the carrier to make payment on account of such loss or
13 damage.

14 2. No such policy may be cancelled or annulled as
15 respects any loss or damage, by any agreement between the
16 carrier and the insured after the insured has become
17 responsible for such loss or damage, and any such
18 cancellation or annulment shall be void.

19 3. The insurance carrier shall, however, have the
20 right to settle any claim covered by the policy, and if
21 such settlement is made in good faith, the amount thereof
22 shall be deductible from the limits of liability specified
23 in the policy.

24 4. The policy, the written application therefor, if
25 any, and any rider or endorsement which shall not conflict
26 with the provisions of this Act shall constitute the

1 entire contract between the parties.

2 (g) Excess or Additional Coverage. --Any motor vehicle
3 liability policy may, however, grant any lawful coverage in
4 excess of or in addition to the coverage herein specified or
5 contain any agreements, provisions, or stipulations not in
6 conflict with the provisions of this Act and not otherwise
7 contrary to law.

8 (h) Reimbursement Provision Permitted. --The policy may
9 provide that the insured, or any other person covered by the
10 policy shall reimburse the insurance carrier for payment made
11 on account of any loss or damage claim or suit involving a
12 breach of the terms, provisions or conditions of the policy;
13 and further, if the policy shall provide for limits in excess
14 of the limits specified in this Act, the insurance carrier may
15 plead against any plaintiff, with respect to the amount of
16 such excess limits of liability, any defense which it may be
17 entitled to plead against the insured.

18 (i) Proration of Insurance Permitted. --The policy may
19 provide for the pro-rating of the insurance thereunder with
20 other applicable valid and collectible insurance.

21 (j) Binders. --Any binder pending the issuance of any
22 policy, which binder contains or by reference includes the
23 provisions hereunder shall be sufficient proof of ability to
24 respond in damages.

25 (k) Copy of Policy to Be Filed with Department of
26 Insurance--Approval. --A copy of the form of every motor

1 vehicle liability policy which is to be used to meet the
2 requirements of this Act must be filed, by the company
3 offering such policy, with the Department of Insurance, which
4 shall approve or disapprove the policy within 30 days of its
5 filing. If the Department approves the policy in writing
6 within such 30 day period or fails to take action for 30 days,
7 the form of policy shall be deemed approved as filed. If within
8 the 30 days the Department disapproves the form of policy
9 filed upon the ground that it does not comply with the
10 requirements of this Act, the Department shall give written
11 notice of its decision and its reasons therefor to the carrier
12 and the policy shall not be accepted as proof of financial
13 responsibility under this Act.

14 (l) Insurance Carrier Required to File Certificate. --An
15 insurance carrier who has issued a motor vehicle liability
16 policy or policies or an operator's policy meeting the
17 requirements of this Act shall, upon the request of the
18 insured therein, deliver to the insured for filing, or at the
19 request of the insured, shall file direct, with the Secretary
20 of State a certificate, as required by this Act, which shows
21 that such policy or policies have been issued. No insurance
22 carrier may require the payment of any extra fee or surcharge,
23 in addition to the insurance premium, for the execution,
24 delivery or filing of such certificate.

25 (m) Proof When Made By Endorsement. --Any motor vehicle
26 liability policy which by endorsement contains the provisions

1 required hereunder shall be sufficient proof of ability to
2 respond in damages.

3 (Source: P.A. 98-519, eff. 1-1-15.)

4 (625 ILCS 5/12-606) (from Ch. 95 1/2, par. 12-606)

5 Sec. 12-606. Tow trucks; identification; equipment;
6 insurance.

7 (a) Every tow truck, except those owned by governmental
8 agencies, shall have displayed on each side thereof, a sign
9 with letters not less than 2 inches in height, contrasting in
10 color to that of the background, stating the full legal name,
11 complete address (including street address and city), and
12 telephone number of the owner or operator thereof. This
13 information shall be permanently affixed to the sides of the
14 tow truck.

15 (b) Every tow truck shall be equipped with:

16 (1) One or more brooms and shovels;

17 (2) One or more trash cans of at least 5 gallon
18 capacity; and

19 (3) One fire extinguisher. This extinguisher shall be
20 either:

21 (i) of the dry chemical or carbon dioxide type
22 with an aggregate rating of at least 4-B, C units, and
23 bearing the approval of a laboratory qualified by the
24 Division of Fire Prevention for this purpose; or

25 (ii) One that meets the requirements of the

1 Federal Motor Carrier Safety Regulations of the United
2 States Department of Transportation for fire
3 extinguishers on commercial motor vehicles.

4 (c) Every owner or operator and driver of a tow truck shall
5 comply with Section 11-1413 of this Code and shall remove or
6 cause to be removed all glass and debris, except any (i)
7 hazardous substance as defined in Section 3.215 of the
8 Environmental Protection Act, (ii) hazardous waste as defined
9 in Section 3.220 of the Environmental Protection Act, and
10 (iii) medical samples or waste, including but not limited to
11 any blood samples, used syringes, other used medical supplies,
12 or any other potentially infectious medical waste as defined
13 in Section 3.360 of the Environmental Protection Act,
14 deposited upon any street or highway by the disabled vehicle
15 being serviced, and shall in addition, spread dirt or sand or
16 oil absorbent upon that portion of any street or highway where
17 oil or grease has been deposited by the disabled vehicle being
18 serviced.

19 (d) Every tow truck operator shall in addition file an
20 indemnity bond, insurance policy, or other proof of insurance
21 in a form to be prescribed by the Secretary for: garagekeepers
22 liability insurance, in an amount no less than a combined
23 single limit of \$500,000, and truck (auto) liability insurance
24 in an amount no less than a combined single limit of \$500,000,
25 on hook coverage or garagekeepers coverage in an amount of no
26 less than \$25,000 which shall indemnify or insure the tow

1 truck operator for the following:

2 (1) Bodily injury or damage to the property of others.

3 (2) Damage to any vehicle towed by the tower.

4 (3) In case of theft, loss of, or damage to any vehicle
5 stored, garagekeepers legal liability coverage in an
6 amount of no less than \$50,000 ~~\$25,000~~.

7 (4) In case of injury to or occupational illness of
8 the tow truck driver or helper, workers compensation
9 insurance meeting the minimum requirements of the Workers'
10 Compensation Act.

11 Any such bond or policy shall be issued only by a bonding
12 or insuring firm authorized to do business as such in the State
13 of Illinois, and a certificate of such bond or policy shall be
14 carried in the cab of each tow truck.

15 (e) The bond or policy required in subsection (d) shall
16 provide that the insurance carrier may cancel it by serving
17 previous notice, as required by Sections 143.14 and 143.16 of
18 the Illinois Insurance Code, in writing, either personally or
19 by registered mail, upon the owner or operator of the motor
20 vehicle and upon the Secretary of State. Whenever any such
21 bond or policy shall be so cancelled, the Secretary of State
22 shall mark the policy "Cancelled" and shall require such owner
23 or operator either to furnish a new bond or policy, in
24 accordance with this Act.

25 (Source: P.A. 100-863, eff. 8-14-18.)

1 (625 ILCS 5/12-707.01) (from Ch. 95 1/2, par. 12-707.01)

2 Sec. 12-707.01. Liability insurance.

3 (a) No school bus, first division vehicle including a taxi
4 which is used for a purpose that requires a school bus driver
5 permit, commuter van or motor vehicle owned by or used for hire
6 by and in connection with the operation of private or public
7 schools, day camps, summer camps or nursery schools, and no
8 commuter van or passenger car used for a for-profit
9 ridesharing arrangement, shall be operated for such purposes
10 unless the owner thereof shall carry a minimum of personal
11 injury liability insurance in the amount of \$50,000 ~~\$25,000~~
12 for any one person in any one accident, and subject to the
13 limit for one person, \$100,000 for two or more persons injured
14 by reason of the operation of the vehicle in any one accident.
15 This subsection (a) applies only to personal injury liability
16 policies issued or renewed before January 1, 2013.

17 (b) Liability insurance policies issued or renewed on and
18 after January 1, 2013 shall comply with the following:

19 (1) except as provided in subparagraph (2) of this
20 subsection (b), any vehicle that is used for a purpose
21 that requires a school bus driver permit under Section
22 6-104 of this Code shall carry a minimum of liability
23 insurance in the amount of \$2,000,000. This minimum
24 insurance requirement may be satisfied by either (i) a
25 \$2,000,000 combined single limit primary commercial
26 automobile policy; or (ii) a \$1 million primary commercial

1 automobile policy and a minimum \$5,000,000 excess or
2 umbrella liability policy;

3 (2) any vehicle that is used for a purpose that
4 requires a school bus driver permit under Section 6-104 of
5 this Code and is used in connection with the operation of
6 private day care facilities, day camps, summer camps, or
7 nursery schools shall carry a minimum of liability
8 insurance in the amount of \$1,000,000 combined single
9 limit per accident;

10 (3) any commuter van or passenger car used for a
11 for-profit ridesharing arrangement shall carry a minimum
12 of liability insurance in the amount of \$500,000 combined
13 single limit per accident.

14 (c) Primary insurance coverage under the provisions of
15 this Section must be provided by a licensed and admitted
16 insurance carrier or an intergovernmental cooperative formed
17 under Section 10 of Article VII of the Illinois Constitution,
18 or Section 6 or 9 of the Intergovernmental Cooperation Act, or
19 provided by a certified self-insurer under Section 7-502 of
20 this Code. The excess or umbrella liability coverage
21 requirement may be met by securing surplus line insurance as
22 defined under Section 445 of the Illinois Insurance Code. If
23 the excess or umbrella liability coverage requirement is met
24 by securing surplus line insurance, that coverage must be
25 effected through a licensed surplus line producer acting under
26 the surplus line insurance laws and regulations of this State.

1 Nothing in this subsection (c) shall be construed as
2 prohibiting a licensed and admitted insurance carrier or an
3 intergovernmental cooperative formed under Section 10 of
4 Article VII of the Illinois Constitution, or Section 6 or 9 of
5 the Intergovernmental Cooperation Act, or a certified
6 self-insurer under Section 7-502 of this Code, from retaining
7 the risk required under paragraphs (1) and (2) of subsection
8 (b) of this Section or issuing a single primary policy meeting
9 the requirements of paragraphs (1) and (2) of subsection (b).

10 (d) Each owner of a vehicle required to obtain the minimum
11 liability requirements under subsection (b) of this Section
12 shall attest that the vehicle meets the minimum insurance
13 requirements under this Section. The Secretary of State shall
14 create a form for each owner of a vehicle to attest that the
15 owner meets the minimum insurance requirements and the owner
16 of the vehicle shall submit the form with each registration
17 application. The form shall be valid for the full registration
18 period; however, if at any time the Secretary has reason to
19 believe that the owner does not have the minimum required
20 amount of insurance for a vehicle, then the Secretary may
21 require a certificate of insurance, or its equivalent, to
22 ensure the vehicle is insured. If the owner fails to produce a
23 certificate of insurance, or its equivalent, within 2 calendar
24 days after the request was made, then the Secretary may revoke
25 the vehicle owner's registration until the Secretary is
26 assured the vehicle meets the minimum insurance requirements.

1 If the owner of a vehicle participates in an intergovernmental
2 cooperative or is self-insured, then the owner shall attest
3 that the insurance required under this Section is equivalent
4 to or greater than the insurance required under paragraph (1)
5 of subsection (b) of this Section. The Secretary may adopt any
6 rules necessary to enforce the provisions of this subsection
7 (d).

8 (Source: P.A. 99-595, eff. 1-1-17.)