

# HB3951



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3951

Introduced 2/17/2023, by Rep. Thaddeus Jones

### SYNOPSIS AS INTRODUCED:

215 ILCS 5/154.9

Amends the Illinois Insurance Code. In provisions concerning private passenger total loss claims, provides that a 30-day period within which a replacement vehicle must be purchased or leased in order for an insurer to reimburse the insured or third-party claimant for any use or occupation tax imposed by the State or a unit of local government and title and transfer fees shall be extended for the duration of a medical condition that results in the incapacitation of the insured.

LRB103 26198 BMS 52557 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Section 154.9 as follows:

6 (215 ILCS 5/154.9)

7 Sec. 154.9. Payment of applicable use or occupation tax,  
8 title, and transfer fees on a private passenger total loss  
9 claim.

10 (a) When an insurer determines that an insured's or  
11 third-party claimant's private passenger automobile is a total  
12 loss that is covered under the terms of a personal automobile  
13 policy issued or renewed on or after July 1, 2022 by the  
14 insurer, the insurer shall pay any use or occupation tax  
15 imposed by the State or a unit of local government and title  
16 and transfer fees as provided for in this Section. As used in  
17 this Section, "private passenger vehicle" means a private  
18 passenger motor vehicle, station wagon, or any other 4-wheeled  
19 motor vehicle with a load capacity of 1,500 pounds or less that  
20 is not used in the occupation, profession, or business of the  
21 insured or third-party claimant, not used as a public or  
22 livery conveyance for passengers, nor rented to others.

23 (b) If the insurer elects to replace the insured vehicle,

1 the insurer shall pay any use or occupation tax imposed by the  
2 State or a unit of local government tax and title and transfer  
3 fees on the replacement vehicle.

4 (c) If a cash settlement is provided for the total loss  
5 private passenger vehicle, the insurer shall reimburse the  
6 insured or third-party claimant for any use or occupation tax  
7 imposed by the State or a unit of local government and title  
8 and transfer fees if the replacement vehicle is purchased or  
9 leased within 30 days after the receipt of the cash settlement  
10 by the insured or third-party claimant and the insured or  
11 third-party claimant substantiates such purchase and the  
12 payment of such taxes and fees by submission of appropriate  
13 documentation to the insurer within 33 days after the receipt  
14 of the settlement or receipt of the required reimbursement  
15 form from the insurer, whichever is later.

16 (1) With respect to leased vehicles, use or occupation  
17 taxes and title and transfer fees shall be deemed to be  
18 incurred by the insured or the third-party claimant at the  
19 time the lease is entered into, but only if such use or  
20 occupation taxes and title and transfer fees are included  
21 in the cost of the lease or are paid directly by the  
22 insured or third-party claimant.

23 (2) The insurer is not required to reimburse the  
24 insured or third-party claimant for any use or occupation  
25 taxes and title or transfer fees in excess of the amount  
26 payable based on the value of the total loss vehicle at the

1 time of the loss or for taxes and title or transfer fees  
2 not actually paid by the insured or third-party claimant.

3 (3) In lieu of this reimbursement procedure, the  
4 insurer may directly pay the required amount of any use or  
5 occupation taxes and title and transfer fees to the  
6 claimant at the time of settlement.

7 (4) If an insurer requires a particular form be used  
8 to apply for reimbursement of any use or occupation taxes  
9 and title or transfer fees, the form must be delivered to  
10 the insured or third-party claimant at or before the time  
11 of settlement.

12 (d) The 30-day period within which a replacement vehicle  
13 must be purchased or leased under subsection (c) shall be  
14 extended for the duration of a medical condition that results  
15 in the incapacitation of the insured.

16 (e) ~~(d)~~ The Department may adopt rules establishing  
17 uniform standards for implementation of this Section,  
18 including, but not limited to, prescribing the method of  
19 determining the market value of the insured's or third-party  
20 claimant's vehicle.

21 (Source: P.A. 102-69, eff. 7-1-22.)