



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5520

Introduced 2/9/2024, by Rep. Diane Blair-Sherlock

SYNOPSIS AS INTRODUCED:

625 ILCS 5/7-203	from Ch. 95 1/2, par. 7-203
625 ILCS 5/7-317	from Ch. 95 1/2, par. 7-317
625 ILCS 5/7-330 new	

Amends the Illinois Vehicle Code. Establishes that a motor vehicle owner shall provide a liability policy and every such policy or bond is subject, if the motor vehicle crash has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than \$30,000 (rather than \$25,000) because of bodily injury to or death of any one person in any one motor vehicle crash and, subject to said limit for one person, to a limit of not less than \$60,000 (rather \$50,000) because of bodily injury to or death of 2 or more persons in any one motor vehicle crash, and, if the motor vehicle crash has resulted in injury to or destruction of property, to a limit of not less than \$25,000 (rather than \$20,000). Provides that a commercial vehicle must be insured of not less than \$50,000 because of bodily injury to or death of any one person in any one motor vehicle crash and, subject to said limit for one person, to a limit of not less than \$100,000 because of bodily injury to or death of 2 or more persons in any one motor vehicle crash, and, if the motor vehicle crash has resulted in injury to or destruction of property, to a limit of not less than \$50,000 because of injury to or destruction of property of others in any one motor vehicle crash.

LRB103 33409 MXP 63221 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 7-203 and 7-317 and by adding Section 7-330
6 as follows:

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

8 Sec. 7-203. Requirements as to policy or bond. No such
9 policy or bond referred to in Section 7-202 shall be effective
10 under this Section unless issued by an insurance company or
11 surety company authorized to do business in this State, except
12 that if such motor vehicle was not registered in this State, or
13 was a motor vehicle which was registered elsewhere than in
14 this State at the effective date of the policy or bond, or the
15 most recent renewal thereof, such policy or bond shall not be
16 effective under this Section unless the insurance company or
17 surety company, if not authorized to do business in this
18 State, shall execute a power of attorney authorizing the
19 Secretary of State to accept service on its behalf of notice or
20 process in any action upon such policy or bond arising out of
21 such motor vehicle crash. However, every such policy or bond
22 is subject, if the motor vehicle crash has resulted in bodily
23 injury or death, to a limit, exclusive of interest and costs,

1 of not less than \$30,000 ~~\$25,000~~ because of bodily injury to or
2 death of any one person in any one motor vehicle crash and,
3 subject to said limit for one person, to a limit of not less
4 than \$60,000 ~~\$50,000~~ because of bodily injury to or death of 2
5 or more persons in any one motor vehicle crash, and, if the
6 motor vehicle crash has resulted in injury to or destruction
7 of property, to a limit of not less than \$25,000 ~~\$20,000~~
8 because of injury to or destruction of property of others in
9 any one motor vehicle crash. The changes to this Section made
10 by this amendatory Act of the 98th General Assembly apply only
11 to policies issued or renewed on or after January 1, 2015.

12 Upon receipt of a written motor vehicle crash report from
13 the Administrator the insurance company or surety company
14 named in such notice shall notify the Administrator within
15 such time and in such manner as the Administrator may require,
16 in case such policy or bond was not in effect at the time of
17 such motor vehicle crash.

18 (Source: P.A. 102-982, eff. 7-1-23.)

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 \$30,000 ~~\$25,000~~ for
24 bodily injury to or death of one person as a result of any
25 one crash and, subject to such limit as to one person, the
26 amount of \$60,000 ~~\$50,000~~ for bodily injury to or death of

1 all persons as a result of any one crash and the amount of
2 \$25,000 ~~\$20,000~~ for damage to property of others as a
3 result of any one crash. The changes to this paragraph
4 made by this amendatory Act of the 98th General Assembly
5 apply only to policies issued or renewed on or after
6 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. 102-982, eff. 7-1-23.)

4 (625 ILCS 5/7-330 new)

5 Sec. 7-330. Proof of financial responsibility; persons who
6 own and operate commercial vehicles. Except as otherwise
7 provided, commercial vehicles must be insured of not less than
8 \$50,000 because of bodily injury to or death of any one person
9 in any one motor vehicle crash and, subject to said limit for
10 one person, to a limit of not less than \$100,000 because of
11 bodily injury to or death of 2 or more persons in any one motor
12 vehicle crash, and, if the motor vehicle crash has resulted in
13 injury to or destruction of property, to a limit of not less
14 than \$50,000 because of injury to or destruction of property
15 of others in any one motor vehicle crash.