



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB3852

Introduced 2/25/2005, by Rep. Shane Cultra

SYNOPSIS AS INTRODUCED:

625 ILCS 5/7-601.1 new

Amends the Illinois Vehicle Code. Provides that an insurance carrier may not cancel or terminate a motor vehicle liability policy until the insurance carrier has notified the vehicle owner of the impending cancellation or termination. Provides that the insurance carrier also must notify the vehicle owner that the Secretary of State will be notified of the cancellation or termination of the policy. Provides that, the insurance carrier must notify the Secretary of State of the cancellation or termination of a motor vehicle liability policy within 10 days of taking that action. Provides that upon receiving notice of the termination or cancellation, the Secretary of State must immediately revoke the vehicle registration certificate, plates, and sticker of the vehicle owner. Provides that the Secretary of State may not reissue a registration certificate, plates, or sticker to a person whose registration has been revoked, unless the person has furnished proof of insurance in the form prescribed by the Secretary.

LRB094 03772 DRH 33781 b

1 AN ACT in relation to vehicles.

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 7-601.1 as follows:

6 (625 ILCS 5/7-601.1 new)

7 Sec. 7-601.1. Notice of cancellation or termination of
8 liability insurance; cancellation of registration.

9 (a) An insurance carrier may not cancel or terminate a
10 motor vehicle liability policy until it has notified the owner
11 of the vehicle of the impending cancellation or termination.
12 The insurance carrier also must notify the owner that the
13 Secretary of State will be notified of the cancellation or
14 termination of the policy, and that the owner's registration
15 certificate, registration plates, and registration sticker
16 will be revoked.

17 (b) The insurance carrier must notify the Secretary of
18 State in writing of the cancellation or termination of the
19 motor vehicle liability policy within 10 days of the date on
20 which the cancellation or termination occurs.

21 (c) Upon receiving a written notice of the cancellation or
22 termination of a motor vehicle liability policy under this
23 Section, the Secretary of State must immediately suspend the
24 registration certificate, registration plates, and
25 registration sticker of the owner, with respect to his or her
26 motor vehicle.

27 (d) The Secretary of State may not issue a registration
28 certificate, plates, or sticker to a person whose registration
29 has been revoked under this Section, unless the person has
30 furnished proof of insurance in the form prescribed by the
31 Secretary.