



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB5046

Introduced 1/25/2010, by Rep. Jack D. Franks

#### 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

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 \$20,000 to \$60,000; bodily injury or death to more than one person from \$40,000 to \$120,000; and injury or destruction of property of others from \$15,000 to \$45,000.

LRB096 19662 AJT 35062 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 changing  
5 Sections 1-164.5, 7-203, 7-311, and 7-317 as follows:

6 (625 ILCS 5/1-164.5)

7 Sec. 1-164.5. Proof of financial responsibility. Proof of  
8 ability to respond in damages for any liability thereafter  
9 incurred resulting from the ownership, maintenance, use or  
10 operation of a motor vehicle for bodily injury to or death of  
11 any person in the amount of \$60,000 ~~\$20,000~~, and subject to  
12 this limit for any one person injured or killed, in the amount  
13 of \$120,000 ~~\$40,000~~ for bodily injury to or death of 2 or more  
14 persons in any one accident, and for damage to property in the  
15 amount of \$45,000 ~~\$15,000~~ resulting from any one accident. This  
16 proof in these amounts shall be furnished for each motor  
17 vehicle registered by every person required to furnish this  
18 proof.

19 (Source: P.A. 90-89, eff. 1-1-98.)

20 (625 ILCS 5/7-203) (from Ch. 95 1/2, par. 7-203)

21 Sec. 7-203. Requirements as to policy or bond. No such  
22 policy or bond referred to in Section 7-202 shall be effective

1 under this Section unless issued by an insurance company or  
2 surety company authorized to do business in this State, except  
3 that if such motor vehicle was not registered in this State, or  
4 was a motor vehicle which was registered elsewhere than in this  
5 State at the effective date of the policy or bond, or the most  
6 recent renewal thereof, such policy or bond shall not be  
7 effective under this Section unless the insurance company or  
8 surety company, if not authorized to do business in this State,  
9 shall execute a power of attorney authorizing the Secretary of  
10 State to accept service on its behalf of notice or process in  
11 any action upon such policy or bond arising out of such motor  
12 vehicle accident. However, every such policy or bond is  
13 subject, if the motor vehicle accident has resulted in bodily  
14 injury or death, to a limit, exclusive of interest and costs,  
15 of not less than \$60,000 ~~\$20,000~~ because of bodily injury to or  
16 death of any one person in any one motor vehicle accident and,  
17 subject to said limit for one person, to a limit of not less  
18 than \$120,000 ~~\$40,000~~ because of bodily injury to or death of 2  
19 or more persons in any one motor vehicle accident, and, if the  
20 motor vehicle accident has resulted in injury to or destruction  
21 of property, to a limit of not less than \$45,000 ~~\$15,000~~  
22 because of injury to or destruction of property of others in  
23 any one motor vehicle accident.

24 Upon receipt of a written motor vehicle accident report  
25 from the Administrator the insurance company or surety company  
26 named in such notice shall notify the Administrator within such

1 time and in such manner as the Administrator may require, in  
2 case such policy or bond was not in effect at the time of such  
3 motor vehicle accident.

4 (Source: P.A. 85-730.)

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

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

7 (a) Judgments herein referred to arising out of motor vehicle  
8 accidents occurring on or after the effective date of this  
9 amendatory Act of the 96th General Assembly ~~January 1, 1956,~~  
10 shall for the purpose of this Chapter be deemed satisfied:

11 1. When \$60,000 ~~\$20,000~~ has been credited upon any judgment  
12 or judgments rendered in excess of that amount for bodily  
13 injury to or the death of one person as the result of any one  
14 motor vehicle accident; or

15 2. When, subject to said limit of \$60,000 ~~\$20,000~~ as to any  
16 one person, the sum of \$120,000 ~~\$40,000~~ has been credited upon  
17 any judgment or judgments rendered in excess of that amount for  
18 bodily injury to or the death of more than one person as the  
19 result of any one motor vehicle accident; or

20 3. When \$45,000 ~~\$15,000~~ has been credited upon any judgment  
21 or judgments, rendered in excess of that amount for damages to  
22 property of others as a result of any one motor vehicle  
23 accident.

24 (b) Credit for such amounts shall be deemed a satisfaction  
25 of any such judgment or judgments in excess of said amounts

1 only for the purposes of this Chapter.

2 (c) Whenever payment has been made in settlement of any  
3 claim for bodily injury, death or property damage arising from  
4 a motor vehicle accident resulting in injury, death or property  
5 damage to two or more persons in such accident, any such  
6 payment shall be credited in reduction of the amounts provided  
7 for in this Section.

8 (Source: P.A. 85-730.)

9 (625 ILCS 5/7-317) (from Ch. 95 1/2, par. 7-317)

10 Sec. 7-317. "Motor vehicle liability policy" defined. (a)  
11 Certification. -A "motor vehicle liability policy", as that  
12 term is used in this Act, means an "owner's policy" or an  
13 "operator's policy" of liability insurance, certified as  
14 provided in Section 7-315 or Section 7-316 as proof of  
15 financial responsibility for the future, and issued, except as  
16 otherwise provided in Section 7-316, by an insurance carrier  
17 duly authorized to transact business in this State, to or for  
18 the benefit of the person named therein as insured.

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

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

24 2. Shall insure the person named therein and any other  
25 person using or responsible for the use of such motor vehicle

1 or vehicles with the express or implied permission of the  
2 insured;

3 3. Shall insure every named insured and any other person  
4 using or responsible for the use of any motor vehicle owned by  
5 the named insured and used by such other person with the  
6 express or implied permission of the named insured on account  
7 of the maintenance, use or operation of any motor vehicle owned  
8 by the named insured, within the continental limits of the  
9 United States or the Dominion of Canada against loss from  
10 liability imposed by law arising from such maintenance, use or  
11 operation, to the extent and aggregate amount, exclusive of  
12 interest and cost, with respect to each motor vehicle, of  
13 \$60,000 ~~\$20,000~~ for bodily injury to or death of one person as  
14 a result of any one accident and, subject to such limit as to  
15 one person, the amount of \$120,000 ~~\$40,000~~ for bodily injury to  
16 or death of all persons as a result of any one accident and the  
17 amount of \$45,000 ~~\$15,000~~ for damage to property of others as a  
18 result of any one accident.

19 (c) Operator's Policy. --When an operator's policy is  
20 required, it shall insure the person named therein as insured  
21 against the liability imposed by law upon the insured for  
22 bodily injury to or death of any person or damage to property  
23 to the amounts and limits above set forth and growing out of  
24 the use or operation by the insured within the continental  
25 limits of the United States or the Dominion of Canada of any  
26 motor vehicle not owned by him.

1           (d) Required Statements in Policies. --Every motor vehicle  
2 liability policy must specify the name and address of the  
3 insured, the coverage afforded by the policy, the premium  
4 charged therefor, the policy period, and the limits of  
5 liability, and shall contain an agreement that the insurance  
6 thereunder is provided in accordance with the coverage defined  
7 in this Act, as respects bodily injury and death or property  
8 damage or both, and is subject to all the provisions of this  
9 Act.

10           (e) Policy Need Not Insure Workers' Compensation. --Any  
11 liability policy or policies issued hereunder need not cover  
12 any liability of the insured assumed by or imposed upon the  
13 insured under any workers' compensation law nor any liability  
14 for damage to property in charge of the insured or the  
15 insured's employees.

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

19           1. The liability of the insurance carrier under any such  
20 policy shall become absolute whenever loss or damage covered by  
21 the policy occurs and the satisfaction by the insured of a  
22 final judgment for such loss or damage shall not be a condition  
23 precedent to the right or obligation of the carrier to make  
24 payment on account of such loss or damage.

25           2. No such policy may be cancelled or annulled as respects  
26 any loss or damage, by any agreement between the carrier and

1 the insured after the insured has become responsible for such  
2 loss or damage, and any such cancellation or annulment shall be  
3 void.

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

8 4. The policy, the written application therefor, if any,  
9 and any rider or endorsement which shall not conflict with the  
10 provisions of this Act shall constitute the entire contract  
11 between the parties.

12 (g) Excess or Additional Coverage. --Any motor vehicle  
13 liability policy may, however, grant any lawful coverage in  
14 excess of or in addition to the coverage herein specified or  
15 contain any agreements, provisions, or stipulations not in  
16 conflict with the provisions of this Act and not otherwise  
17 contrary to law.

18 (h) Reimbursement Provision Permitted. --The policy may  
19 provide that the insured, or any other person covered by the  
20 policy shall reimburse the insurance carrier for payment made  
21 on account of any loss or damage claim or suit involving a  
22 breach of the terms, provisions or conditions of the policy;  
23 and further, if the policy shall provide for limits in excess  
24 of the limits specified in this Act, the insurance carrier may  
25 plead against any plaintiff, with respect to the amount of such  
26 excess limits of liability, any defense which it may be



1 entitled to plead against the insured.

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

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

9 (k) Copy of Policy to Be Filed with Department of  
10 Insurance--Approval. --A copy of the form of every motor  
11 vehicle liability policy which is to be used to meet the  
12 requirements of this Act must be filed, by the company offering  
13 such policy, with the Department of Insurance, which shall  
14 approve or disapprove the policy within 30 days of its filing.  
15 If the Department approves the policy in writing within such 30  
16 day period or fails to take action for 30 days, the form of  
17 policy shall be deemed approved as filed. If within the 30 days  
18 the Department disapproves the form of policy filed upon the  
19 ground that it does not comply with the requirements of this  
20 Act, the Department shall give written notice of its decision  
21 and its reasons therefor to the carrier and the policy shall  
22 not be accepted as proof of financial responsibility under this  
23 Act.

24 (l) Insurance Carrier Required to File Certificate. --An  
25 insurance carrier who has issued a motor vehicle liability  
26 policy or policies or an operator's policy meeting the

1 requirements of this Act shall, upon the request of the insured  
2 therein, deliver to the insured for filing, or at the request  
3 of the insured, shall file direct, with the Secretary of State  
4 a certificate, as required by this Act, which shows that such  
5 policy or policies have been issued. No insurance carrier may  
6 require the payment of any extra fee or surcharge, in addition  
7 to the insurance premium, for the execution, delivery or filing  
8 of such certificate.

9 (m) Proof When Made By Endorsement. --Any motor vehicle  
10 liability policy which by endorsement contains the provisions  
11 required hereunder shall be sufficient proof of ability to  
12 respond in damages.

13 (Source: P.A. 85-730.)