

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 \$25,000 ~~\$20,000~~, and subject to  
12 this limit for any one person injured or killed, in the amount  
13 of \$50,000 ~~\$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 \$20,000 ~~\$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. The changes to this Section made by this amendatory Act  
19 of the 98th General Assembly apply only to policies issued or  
20 renewed on or after January 1, 2015.

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

22 (625 ILCS 5/7-203) (from Ch. 95 1/2, par. 7-203)

1           Sec. 7-203. Requirements as to policy or bond. No such  
2 policy or bond referred to in Section 7-202 shall be effective  
3 under this Section unless issued by an insurance company or  
4 surety company authorized to do business in this State, except  
5 that if such motor vehicle was not registered in this State, or  
6 was a motor vehicle which was registered elsewhere than in this  
7 State at the effective date of the policy or bond, or the most  
8 recent renewal thereof, such policy or bond shall not be  
9 effective under this Section unless the insurance company or  
10 surety company, if not authorized to do business in this State,  
11 shall execute a power of attorney authorizing the Secretary of  
12 State to accept service on its behalf of notice or process in  
13 any action upon such policy or bond arising out of such motor  
14 vehicle accident. However, every such policy or bond is  
15 subject, if the motor vehicle accident has resulted in bodily  
16 injury or death, to a limit, exclusive of interest and costs,  
17 of not less than \$25,000 ~~\$20,000~~ because of bodily injury to or  
18 death of any one person in any one motor vehicle accident and,  
19 subject to said limit for one person, to a limit of not less  
20 than \$50,000 ~~\$40,000~~ because of bodily injury to or death of 2  
21 or more persons in any one motor vehicle accident, and, if the  
22 motor vehicle accident has resulted in injury to or destruction  
23 of property, to a limit of not less than \$20,000 ~~\$15,000~~  
24 because of injury to or destruction of property of others in  
25 any one motor vehicle accident. The changes to this Section  
26 made by this amendatory Act of the 98th General Assembly apply

1 only to policies issued or renewed on or after January 1, 2015.

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

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

9 (625 ILCS 5/7-311) (from Ch. 95 1/2, par. 7-311)

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

11 (a) Judgments herein referred to arising out of motor vehicle  
12 accidents occurring on or after the effective date of this  
13 amendatory Act of the 98th General Assembly ~~January 1, 1956,~~  
14 shall for the purpose of this Chapter be deemed satisfied:

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

19 2. When, subject to said limit of \$25,000 ~~\$20,000~~ as to any  
20 one person, the sum of \$50,000 ~~\$40,000~~ has been credited upon  
21 any judgment or judgments rendered in excess of that amount for  
22 bodily injury to or the death of more than one person as the  
23 result of any one motor vehicle accident; or

24 3. When \$20,000 ~~\$15,000~~ has been credited upon any judgment  
25 or judgments, rendered in excess of that amount for damages to

1 property of others as a result of any one motor vehicle  
2 accident.

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

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

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

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

16 (625 ILCS 5/7-317) (from Ch. 95 1/2, par. 7-317)

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

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

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

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

10 3. Shall insure every named insured and any other person  
11 using or responsible for the use of any motor vehicle owned by  
12 the named insured and used by such other person with the  
13 express or implied permission of the named insured on account  
14 of the maintenance, use or operation of any motor vehicle owned  
15 by the named insured, within the continental limits of the  
16 United States or the Dominion of Canada against loss from  
17 liability imposed by law arising from such maintenance, use or  
18 operation, to the extent and aggregate amount, exclusive of  
19 interest and cost, with respect to each motor vehicle, of  
20 \$25,000 ~~\$20,000~~ for bodily injury to or death of one person as  
21 a result of any one accident and, subject to such limit as to  
22 one person, the amount of \$50,000 ~~\$40,000~~ for bodily injury to  
23 or death of all persons as a result of any one accident and the  
24 amount of \$20,000 ~~\$15,000~~ for damage to property of others as a  
25 result of any one accident. The changes to this paragraph made  
26 by this amendatory Act of the 98th General Assembly apply only

1 to policies issued or renewed on or after January 1, 2015.

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

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

19 (e) Policy Need Not Insure Workers' Compensation. --Any  
20 liability policy or policies issued hereunder need not cover  
21 any liability of the insured assumed by or imposed upon the  
22 insured under any workers' compensation law nor any liability  
23 for damage to property in charge of the insured or the  
24 insured's employees.

25 (f) Provisions Incorporated in Policy. --Every motor  
26 vehicle liability policy is subject to the following provisions

1 which need not be contained therein:

2 1. The liability of the insurance carrier under any such  
3 policy shall become absolute whenever loss or damage covered by  
4 the policy occurs and the satisfaction by the insured of a  
5 final judgment for such loss or damage shall not be a condition  
6 precedent to the right or obligation of the carrier to make  
7 payment on account of such loss or damage.

8 2. No such policy may be cancelled or annulled as respects  
9 any loss or damage, by any agreement between the carrier and  
10 the insured after the insured has become responsible for such  
11 loss or damage, and any such cancellation or annulment shall be  
12 void.

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

17 4. The policy, the written application therefor, if any,  
18 and any rider or endorsement which shall not conflict with the  
19 provisions of this Act shall constitute the entire contract  
20 between the parties.

21 (g) Excess or Additional Coverage. --Any motor vehicle  
22 liability policy may, however, grant any lawful coverage in  
23 excess of or in addition to the coverage herein specified or  
24 contain any agreements, provisions, or stipulations not in  
25 conflict with the provisions of this Act and not otherwise  
26 contrary to law.

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

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

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

18           (k) Copy of Policy to Be Filed with Department of  
19 Insurance--Approval. --A copy of the form of every motor  
20 vehicle liability policy which is to be used to meet the  
21 requirements of this Act must be filed, by the company offering  
22 such policy, with the Department of Insurance, which shall  
23 approve or disapprove the policy within 30 days of its filing.  
24 If the Department approves the policy in writing within such 30  
25 day period or fails to take action for 30 days, the form of  
26 policy shall be deemed approved as filed. If within the 30 days



1 the Department disapproves the form of policy filed upon the  
2 ground that it does not comply with the requirements of this  
3 Act, the Department shall give written notice of its decision  
4 and its reasons therefor to the carrier and the policy shall  
5 not be accepted as proof of financial responsibility under this  
6 Act.

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

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

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

23 Section 99. Effective date. This Act takes effect January  
24 1, 2015.