



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3509

Introduced 2/14/2014, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act. Creates the Insurance Verification Fund. Amends the Illinois Vehicle Code. Creates an online insurance verification system with the assistance of an Insurance Verification Advisory Council composed of representatives from the Department of Insurance and the insurance industry. Provides that the online insurance verification system shall key vehicle registration information to current insurance information provided by insurers selling policies within the State. Provides that the Secretary may use the online insurance verification system to verify insurance information. Provides that authorized personnel shall serve as intermediaries for the courts, insurers, law enforcement agencies, and licensing officials to access the system for the purposes of verifying insurance information on a 24-hour basis through the Internet or other electronic system as developed by the Secretary. Provides that the Secretary may contract with a third party to develop the online insurance verification system. Provides that insurers shall provide information as required by the Secretary, and shall add a \$1 fee on all policies issued to motorists to be paid into the Insurance Verification Fund for the purpose of operating the online insurance verification system. Provides that insurers that wilfully fail to provide information required by the Secretary shall be guilty of a business offense with a fine of up to \$5,000. Provides that insurers shall be immune from liability for complying with the requirements of the Secretary. Provides that a violation of the prohibition on driving without insurance by the owner of a vehicle shall result in the suspension of the driver's license, regardless of whether the owner subsequently acquired insurance or terminated ownership of the vehicle. Provides that a person whose driver's license has been suspended for a violation of driving without insurance must pay a reinstatement fee of \$100 and maintain proof of financial responsibility for 3 years. Provides that the Department of Transportation may access the online insurance verification system when compiling an accident report.

LRB098 16345 MLW 51406 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 State Finance Act is amended by adding
5 Section 5.855 as follows:

6 (30 ILCS 105/5.855 new)

7 Sec. 5.855. The Insurance Verification Fund.

8 Section 10. The Illinois Vehicle Code is amended by
9 changing Sections 3-405, 3-707, 7-201.2, 7-314, 7-315, 7-318,
10 7-602, 7-604, 7-605, and 7-606 and by adding Sections 1-154.01
11 and 7-604.5 as follows:

12 (625 ILCS 5/1-154.01 new)

13 Sec. 1-154.01. Online insurance verification system. The
14 database of insurance information developed and maintained by
15 the Secretary of State under Section 7-604.5 of this Code.

16 (625 ILCS 5/3-405) (from Ch. 95 1/2, par. 3-405)

17 Sec. 3-405. Application for registration.

18 (a) Every owner of a vehicle subject to registration under
19 this Code shall make application to the Secretary of State for
20 the registration of such vehicle upon the appropriate form or

1 forms furnished by the Secretary. Every such application shall
2 bear the signature of the owner written with pen and ink and
3 contain:

4 1. The name, domicile address, as defined in Section
5 1-115.5 of this Code, (except as otherwise provided in this
6 paragraph 1) and mail address of the owner or business
7 address of the owner if a firm, association or corporation.
8 If the mailing address is a post office box number, the
9 address listed on the driver license record may be used to
10 verify residence. A police officer, a deputy sheriff, an
11 elected sheriff, a law enforcement officer for the
12 Department of State Police, a fire investigator, a state's
13 attorney, an assistant state's attorney, a state's
14 attorney special investigator, or a judicial officer may
15 elect to furnish the address of the headquarters of the
16 governmental entity, police district, or business address
17 where he or she works instead of his or her domicile
18 address, in which case that address shall be deemed to be
19 his or her domicile address for all purposes under this
20 Chapter 3. The spouse and children of a person who may
21 elect under this paragraph 1 to furnish the address of the
22 headquarters of the government entity, police district, or
23 business address where the person works instead of the
24 person's domicile address may, if they reside with that
25 person, also elect to furnish the address of the
26 headquarters of the government entity, police district, or

1 business address where the person works as their domicile
2 address, in which case that address shall be deemed to be
3 their domicile address for all purposes under this Chapter
4 3. In this paragraph 1: (A) "police officer" has the
5 meaning ascribed to "policeman" in Section 10-3-1 of the
6 Illinois Municipal Code; (B) "deputy sheriff" means a
7 deputy sheriff appointed under Section 3-6008 of the
8 Counties Code; (C) "elected sheriff" means a sheriff
9 commissioned pursuant to Section 3-6001 of the Counties
10 Code; (D) "fire investigator" means a person classified as
11 a peace officer under the Peace Officer Fire Investigation
12 Act; (E) "state's attorney", "assistant state's attorney",
13 and "state's attorney special investigator" mean a state's
14 attorney, assistant state's attorney, and state's attorney
15 special investigator commissioned or appointed under
16 Division 3-9 of the Counties Code; and (F) "judicial
17 officer" has the meaning ascribed to it in Section 1-10 of
18 the Judicial Privacy Act.

19 2. A description of the vehicle, including such
20 information as is required in an application for a
21 certificate of title, determined under such standard
22 rating as may be prescribed by the Secretary.

23 3. Information relating to the insurance policy for the
24 motor vehicle, including the name of the insurer which
25 issued the policy, the policy number, and the expiration
26 date of the policy. The Secretary of State may verify

1 insurance information through the online insurance
2 verification system. Beginning with the 2016 registration
3 year, registration shall not be issued to persons that
4 submit an application that does not contain this
5 information.

6 4. Such further information as may reasonably be
7 required by the Secretary to enable him to determine
8 whether the vehicle is lawfully entitled to registration
9 and the owner entitled to a certificate of title.

10 5. An affirmation by the applicant that all information
11 set forth is true and correct. If the application is for
12 the registration of a motor vehicle, the applicant also
13 shall affirm that the motor vehicle is insured as required
14 by this Code, that such insurance will be maintained
15 throughout the period for which the motor vehicle shall be
16 registered, and that neither the owner, nor any person
17 operating the motor vehicle with the owner's permission,
18 shall operate the motor vehicle unless the required
19 insurance is in effect. If the person signing the
20 affirmation is not the sole owner of the vehicle, such
21 person shall be deemed to have affirmed on behalf of all
22 the owners of the vehicle. If the person signing the
23 affirmation is not an owner of the vehicle, such person
24 shall be deemed to have affirmed on behalf of the owner or
25 owners of the vehicle. The lack of signature on the
26 application shall not in any manner exempt the owner or

1 owners from any provisions, requirements or penalties of
2 this Code. Beginning with the 2016 registration year, any
3 person that knowingly submits false insurance information
4 shall be guilty of a Class C misdemeanor.

5 (b) When such application refers to a new vehicle purchased
6 from a dealer the application shall be accompanied by a
7 Manufacturer's Statement of Origin from the dealer, and a
8 statement showing any lien retained by the dealer.

9 (Source: P.A. 97-847, eff. 1-1-13; 98-539, eff. 1-1-14.)

10 (625 ILCS 5/3-707) (from Ch. 95 1/2, par. 3-707)

11 Sec. 3-707. Operation of uninsured motor vehicle - penalty.

12 (a) No person shall operate a motor vehicle unless the
13 motor vehicle is covered by a liability insurance policy in
14 accordance with Section 7-601 of this Code.

15 (a-5) A person commits the offense of operation of
16 uninsured motor vehicle causing bodily harm when the person:

17 (1) operates a motor vehicle in violation of Section
18 7-601 of this Code; and

19 (2) causes, as a proximate result of the person's
20 operation of the motor vehicle, bodily harm to another
21 person.

22 (a-6) Uninsured operation of a motor vehicle under
23 subsection (a-5) is a Class A misdemeanor. If a person
24 convicted of the offense of operation of a motor vehicle under
25 subsection (a-5) has previously been convicted of 2 or more

1 violations of subsection (a-5) of this Section or of Section
2 7-601 of this Code, a fine of \$2,500, in addition to any
3 sentence of incarceration, must be imposed.

4 (b) Any person who fails to comply with a request by a law
5 enforcement officer for display of evidence of insurance, as
6 required under Section 7-602 of this Code, shall be deemed to
7 be operating an uninsured motor vehicle unless the law
8 enforcement officer verifies motor vehicle liability insurance
9 coverage through the online insurance verification system.

10 (c) Except as provided in subsections (a-6) and (c-5), any
11 operator of a motor vehicle subject to registration under this
12 Code who is convicted of violating this Section is guilty of a
13 business offense and shall be required to pay a fine in excess
14 of \$500, but not more than \$1,000, except a person convicted of
15 a third or subsequent violation of this Section shall be
16 required to pay a fine of \$1,000. However, no person charged
17 with violating this Section shall be convicted if such person
18 produces in court satisfactory evidence that at the time of the
19 arrest the motor vehicle was covered by a liability insurance
20 policy in accordance with Section 7-601 of this Code or an
21 officer of the court verifies motor vehicle liability insurance
22 coverage through the online insurance verification system. The
23 chief judge of each circuit may designate an officer of the
24 court to review the documentation demonstrating that at the
25 time of arrest the motor vehicle was covered by a liability
26 insurance policy or to verify motor vehicle liability insurance

1 coverage through the online insurance verification system in
2 accordance with Section 7-601 of this Code.

3 (c-1) A person convicted of violating this Section shall
4 also have his or her driver's license, permit, or privileges
5 suspended for 3 months. After the expiration of the 3 months,
6 the person's driver's license, permit, or privileges shall not
7 be reinstated until he or she has paid a reinstatement fee of
8 \$100. If a person violates this Section while his or her
9 driver's license, permit, or privileges are suspended under
10 this subsection (c-1), his or her driver's license, permit, or
11 privileges shall be suspended for an additional 6 months and
12 until he or she pays the reinstatement fee.

13 (c-5) A person who (i) has not previously been convicted of
14 or received a disposition of court supervision for violating
15 this Section and (ii) produces at his or her court appearance
16 satisfactory evidence that the motor vehicle is covered, as of
17 the date of the court appearance, by a liability insurance
18 policy in accordance with Section 7-601 of this Code shall, for
19 a violation of this Section, other than a violation of
20 subsection (a-5), pay a fine of \$100 and receive a disposition
21 of court supervision. The person must, on the date that the
22 period of court supervision is scheduled to terminate, produce
23 satisfactory evidence that the vehicle was covered by the
24 required liability insurance policy during the entire period of
25 court supervision.

26 An officer of the court designated under subsection (c) may

1 also review liability insurance documentation under this
2 subsection (c-5) to determine if the motor vehicle is, as of
3 the date of the court appearance, covered by a liability
4 insurance policy or to verify the motor vehicle liability
5 insurance coverage through the online insurance verification
6 system in accordance with Section 7-601 of this Code. The
7 officer of the court shall also determine, on the date the
8 period of court supervision is scheduled to terminate, whether
9 the vehicle was covered by the required policy during the
10 entire period of court supervision.

11 (d) A person convicted a third or subsequent time of
12 violating this Section or a similar provision of a local
13 ordinance must give proof to the Secretary of State of the
14 person's financial responsibility as defined in Section 7-315.
15 The person must maintain the proof in a manner satisfactory to
16 the Secretary for a minimum period of 3 years after the date
17 the proof is first filed. The Secretary must suspend the
18 driver's license of any person determined by the Secretary not
19 to have provided adequate proof of financial responsibility as
20 required by this subsection.

21 (Source: P.A. 96-143, eff. 1-1-10; 97-407, eff. 1-1-12.)

22 (625 ILCS 5/7-201.2) (from Ch. 95 1/2, par. 7-201.2)

23 Sec. 7-201.2. The Administrator, within 30 days after
24 compiling sufficient information on a motor vehicle accident,
25 shall certify to the Secretary of State the name of each owner

1 and the name of each operator of any vehicle involved in the
2 accident, his determination that security is required under
3 this Code, and the amount of the security. The Administrator
4 also shall supply to the Secretary of State a copy of any
5 accident report requested by the Secretary. The Administrator
6 may use the online insurance verification system for the
7 purpose of determining or verifying whether or not a motor
8 vehicle, owner, or operator was insured at the time of the
9 motor vehicle accident.

10 The Administrator shall send a copy of the certification to
11 each person whose name is certified. The copy, or an attachment
12 thereto, shall contain in bold print an explanation that,
13 because the person did not furnish the Department of
14 Transportation with evidence that he or she is insured or
15 otherwise able to pay for damages resulting from the accident,
16 the person's name has been forwarded to the Secretary of State
17 for possible suspension of his or her driver's license.

18 (Source: P.A. 84-797.)

19 (625 ILCS 5/7-314) (from Ch. 95 1/2, par. 7-314)

20 Sec. 7-314. Alternate methods of giving proof.

21 (a) Proof of financial responsibility when required under
22 this Article may be given by filing with the Secretary of
23 State:

24 1. A certificate of insurance as provided in Section
25 7-315 or Section 7-316;.

- 1 2. A bond as provided in Section 7-320; or
2 3. A deposit of securities as provided in Section
3 7-323.

4 (b) Proof of financial responsibility relating to a motor
5 vehicle liability policy when required under this Code with
6 respect to a motor vehicle or with respect to a person who is
7 not the owner of a motor vehicle may be verified through the
8 online insurance verification system.

9 (Source: P.A. 83-831.)

10 (625 ILCS 5/7-315) (from Ch. 95 1/2, par. 7-315)

11 Sec. 7-315. A certificate of insurance proof.

12 (a) Proof of financial responsibility may be made by filing
13 with the Secretary of State the written or electronic
14 certificate of any insurance carrier duly authorized to do
15 business in this State, certifying that it has issued to or for
16 the benefit of the person furnishing such proof and named as
17 the insured in a motor vehicle liability policy, a motor
18 vehicle liability policy or policies or in certain events an
19 operator's policy meeting the requirements of this Code and
20 that said policy or policies are then in full force and effect.
21 All written or electronic certificates must be submitted in a
22 manner satisfactory to the Secretary of State.

23 (b) Such certificate or certificates shall give the dates
24 of issuance and expiration of such policy or policies and
25 certify that the same shall not be canceled unless 15 days'

1 prior written or electronic notice thereof be given to the
2 Secretary of State and shall explicitly describe all motor
3 vehicles covered thereby unless the policy or policies are
4 issued to a person who is not the owner of a motor vehicle.

5 (c) The Secretary of State shall not accept any certificate
6 or certificates unless the same shall cover all motor vehicles
7 then registered in this State in the name of the person
8 furnishing such proof as owner and an additional certificate or
9 certificates shall be required as a condition precedent to the
10 subsequent registration of any motor vehicle or motor vehicles
11 in the name of the person giving such proof as owner.

12 (d) Proof of financial responsibility relating to a motor
13 vehicle liability policy may be verified through the online
14 insurance verification system.

15 (Source: P.A. 94-239, eff. 1-1-06.)

16 (625 ILCS 5/7-318) (from Ch. 95 1/2, par. 7-318)

17 Sec. 7-318. Notice of Cancellation or Termination of
18 Certified Policy.

19 (a) When an insurance carrier has certified a motor vehicle
20 liability policy or policies under this Act, it shall notify
21 the Secretary of State of any cancellation by mailing a written
22 or electronic notice at least 15 days prior to cancellation of
23 such policy and the policy shall continue in full force and
24 effect until the date of cancellation specified in such notice
25 or until its expiration, except that such a policy subsequently

1 procured and certified shall, on the effective date of its
2 certification, terminate the insurance previously certified
3 with respect to any vehicle designated in both certificates.
4 All written or electronic certificates must be submitted in a
5 manner satisfactory to the Secretary of State.

6 (b) If the Secretary of State has verified evidence of a
7 motor vehicle liability policy using the online insurance
8 verification system under subsection (d) of Section 7-315 of
9 this Code, the Secretary of State shall continue to verify
10 evidence of a motor vehicle liability policy using the online
11 insurance verification system under subsection (d) of Section
12 7-315 of this Code for the applicable period.

13 (Source: P.A. 94-239, eff. 1-1-06.)

14 (625 ILCS 5/7-602) (from Ch. 95 1/2, par. 7-602)

15 Sec. 7-602. Insurance card. Every operator of a motor
16 vehicle subject to Section 7-601 of this Code shall carry
17 within the vehicle evidence of insurance. The evidence shall be
18 legible and sufficient to demonstrate that the motor vehicle
19 currently is covered by a liability insurance policy as
20 required under Section 7-601 of this Code and may include, but
21 is not limited to, the following:

22 (a) an insurance card provided by the insurer under
23 this Section;

24 (b) the combination of proof of purchase of the motor
25 vehicle within the previous 60 days and a current insurance

1 card issued for the motor vehicle replaced by such
2 purchase;

3 (c) the current declarations page of a liability
4 insurance policy;

5 (d) a liability insurance binder, certificate of
6 liability insurance or receipt for payment to an insurer or
7 its authorized representative for a liability insurance
8 premium, provided such document contains all information
9 the Secretary of State by rule and regulation may require;

10 (e) a current rental agreement;

11 (f) registration plates, registration sticker or other
12 evidence of registration issued by the Secretary only upon
13 submission of proof of liability insurance pursuant to this
14 Code;

15 (g) a certificate, decal, or other document or device
16 issued by a governmental agency for a motor vehicle
17 indicating the vehicle is insured for liability pursuant to
18 law;

19 (h) the display of electronic images on a cellular
20 phone or other type of portable electronic device. The use
21 of a cellular phone or other type of portable electronic
22 device to display proof of insurance does not constitute
23 consent for a law enforcement officer, court, or other
24 officer of the court to access other contents of the
25 electronic device. Any law enforcement officer, court, or
26 officer of the court presented with the device shall be

1 immune from any liability resulting from damage to the
2 mobile electronic device.

3 An insurance card shall be provided for each motor vehicle
4 insured by the insurer issuing the liability insurance policy
5 and may be issued in either paper or electronic format.
6 Acceptable electronic formats shall permit display on a
7 cellular phone or other portable electronic device and satisfy
8 all other requirements of law and rule, including this Section,
9 regarding form and content.

10 The form, contents and manner of issuance of the insurance
11 card shall be prescribed by rules and regulations of the
12 Secretary of State. The Secretary shall adopt rules requiring
13 that reasonable measures be taken to prevent the fraudulent
14 production of insurance cards. The insurance card shall display
15 an effective date and an expiration date covering a period of
16 time not to exceed 12 months. The insurance card shall contain
17 the following disclaimer: "Examine policy exclusions
18 carefully. This form does not constitute any part of your
19 insurance policy." If the insurance policy represented by the
20 insurance card does not cover any driver operating the motor
21 vehicle with the owner's permission, or the owner when
22 operating a motor vehicle other than the vehicle for which the
23 policy is issued, the insurance card shall contain a warning of
24 such limitations in the coverage provided by the policy.

25 No insurer shall issue a card, similar in appearance, form
26 and content to the insurance card required under this Section,

1 in connection with an insurance policy that does not provide
2 the liability insurance coverage required under Section 7-601
3 of this Code.

4 The evidence of insurance shall be displayed upon request
5 made by any law enforcement officer wearing a uniform or
6 displaying a badge or other sign of authority. Any person who
7 fails or refuses to comply with such request is in violation of
8 Section 3-707 of this Code unless evidence of motor vehicle
9 liability insurance or other evidence of financial
10 responsibility as provided in this Code is verified through the
11 online insurance verification system. Any person who displays
12 evidence of insurance, knowing there is no valid liability
13 insurance in effect on the motor vehicle as required under
14 Section 7-601 of this Code or knowing the evidence of insurance
15 is illegally altered, counterfeit or otherwise invalid, is in
16 violation of Section 3-710 of this Code.

17 "Display" means the manual surrender of the evidence of
18 insurance into the hands of the law enforcement officer, court,
19 or officer of the court making the request for the officer's,
20 court's, or officer of the court's inspection thereof.

21 (Source: P.A. 98-521, eff. 8-23-13.)

22 (625 ILCS 5/7-604) (from Ch. 95 1/2, par. 7-604)

23 Sec. 7-604. Verification of liability insurance policy.

24 (a) The Secretary of State may select random samples of
25 registrations of motor vehicles subject to Section 7-601 of

1 this Code, or owners thereof, for the purpose of verifying
2 whether or not the motor vehicles are insured.

3

4 In addition to such general random samples of motor vehicle
5 registrations, the Secretary may select for verification other
6 random samples, including, but not limited to registrations of
7 motor vehicles owned by persons:

8 (1) whose motor vehicle registrations during the
9 preceding 4 years have been suspended pursuant to Section
10 7-606 or 7-607 of this Code;

11 (2) who during the preceding 4 years have been
12 convicted of violating Section 3-707, 3-708 or 3-710 of
13 this Code while operating vehicles owned by other persons;

14 (3) whose driving privileges have been suspended
15 during the preceding 4 years;

16 (4) who during the preceding 4 years acquired ownership
17 of motor vehicles while the registrations of such vehicles
18 under the previous owners were suspended pursuant to
19 Section 7-606 or 7-607 of this Code; or

20 (5) who during the preceding 4 years have received a
21 disposition of supervision under subsection (c) of Section
22 5-6-1 of the Unified Code of Corrections for a violation of
23 Section 3-707, 3-708, or 3-710 of this Code.

24 (a-1) The Secretary of State may review registrations of
25 motor vehicles subject to Section 7-601 of this Code, or owners
26 and operators thereof, for the purpose of verifying whether or

1 not the motor vehicles are insured through the online insurance
2 verification system. If the Secretary cannot verify the
3 insurance status of a vehicle using the online insurance
4 verification system or other method for deposits of cash or
5 motor vehicle insurance liability bonds, the Secretary may send
6 the owner or operator a request for information under
7 subsection (c) of this Section.

8 (b) Upon receiving certification from the Department of
9 Transportation under Section 7-201.2 of this Code of the name
10 of an owner or operator of any motor vehicle involved in an
11 accident, the Secretary may verify whether or not at the time
12 of the accident such motor vehicle was covered by a liability
13 insurance policy in accordance with Section 7-601 of this Code.

14 (c) In preparation for selection of random samples and
15 their verification, the Secretary may send to owners of
16 randomly selected motor vehicles, or to randomly selected motor
17 vehicle owners, requests for information about their motor
18 vehicles and liability insurance coverage. The request shall
19 require the owner to state whether or not the motor vehicle was
20 insured on the verification date stated in the Secretary's
21 request and the request may require, but is not limited to, a
22 statement by the owner of the names and addresses of insurers,
23 policy numbers, and expiration dates of insurance coverage.

24 (d) Within 30 days after the Secretary mails a request, the
25 owner to whom it is sent shall furnish the requested
26 information to the Secretary above the owner's signed

1 affirmation that such information is true and correct. Proof of
2 insurance in effect on the verification date, as prescribed by
3 the Secretary, may be considered by the Secretary to be a
4 satisfactory response to the request for information.

5 Any owner whose response indicates that his or her vehicle
6 was not covered by a liability insurance policy in accordance
7 with Section 7-601 of this Code shall be deemed to have
8 registered or maintained registration of a motor vehicle in
9 violation of that Section. Any owner who fails to respond to
10 such a request shall be deemed to have registered or maintained
11 registration of a motor vehicle in violation of Section 7-601
12 of this Code.

13 (e) If the owner responds to the request for information by
14 asserting that his or her vehicle was covered by a liability
15 insurance policy on the verification date stated in the
16 Secretary's request, the Secretary may conduct a verification
17 of the response through the online insurance verification
18 system or by furnishing necessary information to the insurer
19 named in the response. The insurer shall within 45 days inform
20 the Secretary whether or not on the verification date stated
21 the motor vehicle was insured by the insurer in accordance with
22 Section 7-601 of this Code. The Secretary may by rule and
23 regulation prescribe the procedures for verification.

24 (f) No random sample selected under this Section shall be
25 categorized on the basis of race, color, religion, sex,
26 national origin, ancestry, age, marital status, physical or

1 mental disability, economic status or geography.

2 (Source: P.A. 92-458, eff. 8-22-01.)

3 (625 ILCS 5/7-604.5 new)

4 Sec. 7-604.5. Online insurance verification system.

5 (a) For the purposes of this Section, except in those
6 instances where the context clearly indicates a different
7 meaning:

8 "Advisory council" means the Insurance Verification
9 Advisory Council.

10 "Director" means the Director of Insurance or his or
11 her designee.

12 "Insurer" means an insurance company licensed or
13 authorized to do business in this state and insuring motor
14 vehicles.

15 "NAIC number" means the unique identification number
16 assigned to an insurance company by the National
17 Association of Insurance Commissioners.

18 (b) The Insurance Verification Advisory Council is created
19 and shall consist of a group of 13 voting members consisting
20 of: 2 representatives of the Secretary of State, a
21 representative of the Department of Transportation, a
22 representative of the Department of Insurance, 3 insurance
23 company representatives appointed by the Director of
24 Insurance, a representative of the Specialty Insurers
25 Association of Illinois, a representative of the Illinois

1 Insurance Association, a representative of the American
2 Insurance Association, a representative of the National
3 Association of Mutual Insurance Companies, a representative of
4 the Property and Casualty Insurers Association of America, a
5 representative of the Independent Insurance Agents of
6 Illinois, and a representative of the Illinois Judges
7 Association appointed by the president of the association. This
8 group shall be chaired by the Secretary of State or his or her
9 designee.

10 (c) The advisory council shall:

11 (1) facilitate the implementation of an online
12 insurance verification system;

13 (2) develop a detailed guide for insurers detailing the
14 information necessary for compliance, how to supply this
15 information, and other relevant rules;

16 (3) conduct a testing phase for the online insurance
17 verification system; and

18 (4) issue a report, based on periodic reviews of the
19 online insurance verification system, to the Secretary of
20 State, the Secretary of Transportation, and the Director of
21 Insurance evaluating the online insurance verification
22 system's effectiveness in identifying uninsured motorists
23 and making recommendations for improvement on or before
24 January 1 of each year.

25 (d) The Secretary of State shall:

26 (1) cooperate with insurers in implementing the online

- 1 insurance verification system;
- 2 (2) administer and maintain the online insurance
3 verification system and implement changes as necessary;
- 4 (3) conduct a pilot project to test the online
5 insurance verification system prior to statewide use;
- 6 (4) establish the online insurance verification system
7 framework necessary to inquire of insurers by using
8 multiple keys for greater matching accuracy, including,
9 but not limited to: Insurer NAIC number, vehicle
10 identification number, policy number, and other key or keys
11 specified by the advisory council;
- 12 (5) keep the advisory council informed on
13 implementation status;
- 14 (6) maintain the list of authorized requesting
15 entities and individuals and make that a part of the online
16 insurance verification system;
- 17 (7) provide data security for the type of information
18 transferred as prescribed by the advisory council. Data
19 secured via the online insurance verification system may
20 not be shared with any party other than those permitted by
21 State or federal privacy laws;
- 22 (8) keep the advisory council informed on
23 functionality and planned or unplanned service
24 interruptions;
- 25 (9) provide alternative methods of reporting for small
26 insurers underwriting no more than 500 vehicles in the

1 State; and

2 (10) establish a fund for the implementation and
3 administration of the online insurance verification
4 system.

5 (e) Nothing in this Section prohibits the Secretary from
6 using the services of a third party vendor for facilitating the
7 insurance verification program required by this Section. The
8 Secretary may enter into a personal services contract with a
9 consulting firm having personnel with extensive operational
10 and management experience in the development, deployment, and
11 operation of insurance verification programs. This firm shall
12 assist in operating a pilot program by analyzing and using
13 available data to share nationally-recognized best practices
14 for operating insurance verification programs, to study
15 existing and planned practices and implement recommendations
16 for improvement, and to have responsibility for reducing
17 uninsured motorist rates in this State.

18 (f) The online insurance verification system shall:

19 (1) be accessible to authorized personnel of the
20 Secretary of State for direct inquiry;

21 (2) allow access by the courts, insurers, law
22 enforcement, and offices of the licensing officials
23 charged with motor vehicle registration and titling
24 responsibilities only through authorized personnel of the
25 Secretary of State;

26 (3) allow insurer access only to data or information

1 transmission as required to operate the online insurance
2 verification system;

3 (4) be able to verify on a 24-hour, 7 days per week
4 basis, with the exception of time for system maintenance as
5 prescribed by the advisory council, the insurance status of
6 a motor vehicle through the Internet or other electronic
7 system as recommended by the advisory council and adopted
8 by the Secretary;

9 (5) be able to access insurance information by using
10 multiple keys including but not limited to: Insurer NAIC
11 number, vehicle identification numbers, policy number, and
12 any other keys specified by the advisory council;

13 (6) provide data security for the type of information
14 transferred as prescribed by the advisory council; and

15 (7) utilize open and agreed to data and data
16 transmission standards and standard database schema as
17 specified by the advisory council.

18 (g) Each insurer shall:

19 (1) cooperate with the Secretary in establishing and
20 operating the online insurance verification system;

21 (2) provide the data necessary to verify insurance
22 status through the online insurance verification system
23 for a period of at least 6 months;

24 (3) provide data security for the type of information
25 transferred as prescribed by the advisory council in
26 accordance with State or federal privacy laws; and

1 (4) assess a \$1.00 fee on all insurance policies issued
2 to motorists in this State to support the operation and
3 maintenance of the online insurance verification system.
4 This fee shall be paid into the Insurance Verification
5 Fund.

6 (h) An insurer that willfully fails to provide information
7 as required by this Section shall be guilty of a business
8 offense with a fine of up to \$5,000 per violation.

9 (i) Insurers shall be immune from civil and administrative
10 liability for good faith efforts to comply with the terms of
11 this Section.

12 (j) The Insurance Verification Fund is created in the State
13 treasury. Moneys in the Insurance Verification Fund shall be
14 used by the Secretary for implementing and administering the
15 online insurance verification system.

16 (625 ILCS 5/7-605) (from Ch. 95 1/2, par. 7-605)

17 Sec. 7-605. Uninsured motor vehicles - notice. If the
18 Secretary determines that an owner has registered or maintained
19 the registration of a motor vehicle without a liability
20 insurance policy in accordance with Section 7-601 of this Code,
21 the Secretary shall notify the owner that such owner's vehicle
22 registration and driver's license shall be suspended 45 days
23 after the date of the mailing of the notice unless the owner
24 within 30 days furnishes proof of insurance in effect on the
25 verification date, as prescribed by the Secretary.

1 (Source: P.A. 86-149.)

2 (625 ILCS 5/7-606) (from Ch. 95 1/2, par. 7-606)

3 Sec. 7-606. Uninsured motor vehicles - suspension and
4 reinstatement of vehicle registration and driver's license.

5 (a) Suspension and reinstatement of vehicle registration.

6 The Secretary shall suspend the vehicle registration of any
7 motor vehicle determined by the Secretary to be in violation of
8 Section 7-601 of this Code, including any motor vehicle
9 operated in violation of Section 3-707, 3-708 or 3-710 of this
10 Code by an operator other than the owner of the vehicle.
11 Neither the fact that, subsequent to the date of verification
12 or conviction, the owner acquired the required liability
13 insurance policy nor the fact that the owner terminated
14 ownership of the motor vehicle shall have any bearing upon the
15 Secretary's decision to suspend.

16 The Secretary is authorized to suspend the registration of
17 any motor vehicle registered in this State upon receiving
18 notice of the conviction of the operator of the motor vehicle
19 in another State of an offense which, if committed in this
20 State, would constitute a violation of Section 7-601 of this
21 Code.

22 Until it is terminated, the suspension shall remain in
23 force after the registration is renewed or a new registration
24 is acquired for the motor vehicle. The suspension also shall
25 apply to any motor vehicle to which the owner transfers the

1 registration.

2 In the case of a first violation, the Secretary shall
3 terminate the suspension upon payment by the owner of a
4 reinstatement fee of \$100 and submission of proof of insurance
5 as prescribed by the Secretary.

6 In the case of a second or subsequent violation by a person
7 having ownership interest in a motor vehicle or vehicles within
8 the preceding 4 years, or a violation of Section 3-708 of this
9 Code, the Secretary shall terminate the suspension 4 months
10 after its effective date upon payment by the owner of a
11 reinstatement fee of \$100 and submission of proof of insurance
12 as prescribed by the Secretary.

13 All fees collected under this Section shall be deposited
14 into the Road Fund of the State treasury.

15 (b) Suspension and reinstatement of driver's license.

16 The Secretary shall suspend the driver's license of any
17 owner of any vehicle determined by the Secretary to be in
18 violation of Section 7-601 of this Code, including any motor
19 vehicle operated in violation of Section 3-707, 3-708, or 3-710
20 of this Code by an operator other than the owner of the
21 vehicle. Neither the fact that, subsequent to the date of
22 verification or conviction, the owner acquired the required
23 liability insurance policy nor the fact that the owner
24 terminated ownership of the motor vehicle shall affect the
25 Secretary's suspension.

26 The Secretary may suspend the driver's license of any owner

1 of any motor vehicle registered in this State upon receiving
2 notice of the conviction of the operator of the motor vehicle
3 in another state of an offense which, if committed in this
4 State, would constitute a violation of Section 7-601 of this
5 Code.

6 In the case of a first violation, the Secretary shall
7 terminate the suspension upon payment by the owner of a
8 reinstatement fee of \$100 and submission of proof of insurance
9 as set forth below.

10 In the case of a second or subsequent violation by a person
11 having ownership interest in a motor vehicle or vehicles within
12 the preceding 4 years, or a violation of Section 3-708 of this
13 Code, the Secretary shall terminate the suspension 4 months
14 after its effective date upon payment by the owner of a
15 reinstatement fee of \$100 and submission of proof of insurance
16 as set forth below.

17 A person whose license is suspended under this subsection
18 must give proof to the Secretary of State of the person's
19 financial responsibility as defined in Section 7-315. The
20 person must maintain the proof in a manner satisfactory to the
21 Secretary for a minimum period of 3 years after the date the
22 proof is first filed.

23 All fees collected under this Section shall be deposited
24 into the Road Fund.

25 (Source: P.A. 88-315.)

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2	Statutes amended in order of appearance	
3	30 ILCS 105/5.855 new	
4	625 ILCS 5/1-154.01 new	
5	625 ILCS 5/3-405	from Ch. 95 1/2, par. 3-405
6	625 ILCS 5/3-707	from Ch. 95 1/2, par. 3-707
7	625 ILCS 5/7-201.2	from Ch. 95 1/2, par. 7-201.2
8	625 ILCS 5/7-314	from Ch. 95 1/2, par. 7-314
9	625 ILCS 5/7-315	from Ch. 95 1/2, par. 7-315
10	625 ILCS 5/7-318	from Ch. 95 1/2, par. 7-318
11	625 ILCS 5/7-602	from Ch. 95 1/2, par. 7-602
12	625 ILCS 5/7-604	from Ch. 95 1/2, par. 7-604
13	625 ILCS 5/7-604.5 new	
14	625 ILCS 5/7-605	from Ch. 95 1/2, par. 7-605
15	625 ILCS 5/7-606	from Ch. 95 1/2, par. 7-606