



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1353

Introduced 2/18/2015, 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. Extends the repeal date of a Section concerning the verification of liability insurance policies.

LRB099 08112 RJF 28260 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 5.866 as follows:

6 (30 ILCS 105/5.866 new)

7 Sec. 5.866. 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. (Blank).

24 4. Such further information as may reasonably be
25 required by the Secretary to enable him to determine
26 whether the vehicle is lawfully entitled to registration

1 and the owner entitled to a certificate of title.

2 5. An affirmation by the applicant that all information
3 set forth is true and correct. If the application is for
4 the registration of a motor vehicle, the applicant also
5 shall affirm that the motor vehicle is insured as required
6 by this Code, that such insurance will be maintained
7 throughout the period for which the motor vehicle shall be
8 registered, and that neither the owner, nor any person
9 operating the motor vehicle with the owner's permission,
10 shall operate the motor vehicle unless the required
11 insurance is in effect. The Secretary of State may verify
12 insurance information pertaining to the motor vehicle
13 through the online insurance verification system. If the
14 person signing the affirmation is not the sole owner of the
15 vehicle, such person shall be deemed to have affirmed on
16 behalf of all the owners of the vehicle. If the person
17 signing the affirmation is not an owner of the vehicle,
18 such person shall be deemed to have affirmed on behalf of
19 the owner or owners of the vehicle. The lack of signature
20 on the application shall not in any manner exempt the owner
21 or owners from any provisions, requirements or penalties of
22 this Code.

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

1 (Source: P.A. 97-847, eff. 1-1-13; 98-539, eff. 1-1-14; 98-787,
2 eff. 7-25-14.)

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

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

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

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

10 (1) operates a motor vehicle in violation of Section
11 7-601 of this Code; and

12 (2) causes, as a proximate result of the person's
13 operation of the motor vehicle, bodily harm to another
14 person.

15 (a-6) Uninsured operation of a motor vehicle under
16 subsection (a-5) is a Class A misdemeanor. If a person
17 convicted of the offense of operation of a motor vehicle under
18 subsection (a-5) has previously been convicted of 2 or more
19 violations of subsection (a-5) of this Section or of Section
20 7-601 of this Code, a fine of \$2,500, in addition to any
21 sentence of incarceration, must be imposed.

22 (b) Any person who fails to comply with a request by a law
23 enforcement officer for display of evidence of insurance, as
24 required under Section 7-602 of this Code, shall be deemed to
25 be operating an uninsured motor vehicle unless the law

1 enforcement officer verifies motor vehicle liability insurance
2 coverage through the online insurance verification system.

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

22 (c-1) A person convicted of violating this Section shall
23 also have his or her driver's license, permit, or privileges
24 suspended for 3 months. After the expiration of the 3 months,
25 the person's driver's license, permit, or privileges shall not
26 be reinstated until he or she has paid a reinstatement fee of

1 \$100. If a person violates this Section while his or her
2 driver's license, permit, or privileges are suspended under
3 this subsection (c-1), his or her driver's license, permit, or
4 privileges shall be suspended for an additional 6 months and
5 until he or she pays the reinstatement fee.

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

19 An officer of the court designated under subsection (c) may
20 also review liability insurance documentation under this
21 subsection (c-5) to determine if the motor vehicle is, as of
22 the date of the court appearance, covered by a liability
23 insurance policy or to verify the motor vehicle liability
24 insurance coverage through the online insurance verification
25 system in accordance with Section 7-601 of this Code. The
26 officer of the court shall also determine, on the date the

1 period of court supervision is scheduled to terminate, whether
2 the vehicle was covered by the required policy during the
3 entire period of court supervision.

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

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

15 (625 ILCS 5/7-201.2) (from Ch. 95 1/2, par. 7-201.2)

16 Sec. 7-201.2. The Administrator, within 30 days after
17 compiling sufficient information on a motor vehicle accident,
18 shall certify to the Secretary of State the name of each owner
19 and the name of each operator of any vehicle involved in the
20 accident, his determination that security is required under
21 this Code, and the amount of the security. The Administrator
22 also shall supply to the Secretary of State a copy of any
23 accident report requested by the Secretary. The Administrator
24 may use the online insurance verification system for the
25 purpose of determining or verifying whether or not a motor

1 vehicle, owner, or operator was insured at the time of the
2 motor vehicle accident.

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

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

12 (625 ILCS 5/7-314) (from Ch. 95 1/2, par. 7-314)

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

14 (a) Proof of financial responsibility when required under
15 this Article may be given by filing with the Secretary of
16 State:

17 1. A certificate of insurance as provided in Section
18 7-315 or Section 7-316;.

19 2. A bond as provided in Section 7-320; or

20 3. A deposit of securities as provided in Section
21 7-323.

22 (b) Proof of financial responsibility relating to a motor
23 vehicle liability policy when required under this Code with
24 respect to a motor vehicle or with respect to a person who is
25 not the owner of a motor vehicle may be verified through the

1 online insurance verification system.

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

3 (625 ILCS 5/7-315) (from Ch. 95 1/2, par. 7-315)

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

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

16 (b) Such certificate or certificates shall give the dates
17 of issuance and expiration of such policy or policies and
18 certify that the same shall not be canceled unless 15 days'
19 prior written or electronic notice thereof be given to the
20 Secretary of State and shall explicitly describe all motor
21 vehicles covered thereby unless the policy or policies are
22 issued to a person who is not the owner of a motor vehicle.

23 (c) The Secretary of State shall not accept any certificate
24 or certificates unless the same shall cover all motor vehicles
25 then registered in this State in the name of the person

1 furnishing such proof as owner and an additional certificate or
2 certificates shall be required as a condition precedent to the
3 subsequent registration of any motor vehicle or motor vehicles
4 in the name of the person giving such proof as owner.

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

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

9 (625 ILCS 5/7-318) (from Ch. 95 1/2, par. 7-318)

10 Sec. 7-318. Notice of Cancellation or Termination of
11 Certified Policy.

12 (a) When an insurance carrier has certified a motor vehicle
13 liability policy or policies under this Act, it shall notify
14 the Secretary of State of any cancellation by mailing a written
15 or electronic notice at least 15 days prior to cancellation of
16 such policy and the policy shall continue in full force and
17 effect until the date of cancellation specified in such notice
18 or until its expiration, except that such a policy subsequently
19 procured and certified shall, on the effective date of its
20 certification, terminate the insurance previously certified
21 with respect to any vehicle designated in both certificates.
22 All written or electronic certificates must be submitted in a
23 manner satisfactory to the Secretary of State.

24 (b) If the Secretary of State has verified evidence of a
25 motor vehicle liability policy using the online insurance

1 verification system under subsection (d) of Section 7-315 of
2 this Code, the Secretary of State shall continue to verify
3 evidence of a motor vehicle liability policy using the online
4 insurance verification system under subsection (d) of Section
5 7-315 of this Code for the applicable period.

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

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

8 Sec. 7-602. Insurance card. Every operator of a motor
9 vehicle subject to Section 7-601 of this Code shall carry
10 within the vehicle evidence of insurance. The evidence shall be
11 legible and sufficient to demonstrate that the motor vehicle
12 currently is covered by a liability insurance policy as
13 required under Section 7-601 of this Code and may include, but
14 is not limited to, the following:

15 (a) an insurance card provided by the insurer under
16 this Section;

17 (b) the combination of proof of purchase of the motor
18 vehicle within the previous 60 days and a current insurance
19 card issued for the motor vehicle replaced by such
20 purchase;

21 (c) the current declarations page of a liability
22 insurance policy;

23 (d) a liability insurance binder, certificate of
24 liability insurance or receipt for payment to an insurer or
25 its authorized representative for a liability insurance

1 premium, provided such document contains all information
2 the Secretary of State by rule and regulation may require;

3 (e) a current rental agreement;

4 (f) registration plates, registration sticker or other
5 evidence of registration issued by the Secretary only upon
6 submission of proof of liability insurance pursuant to this
7 Code;

8 (g) a certificate, decal, or other document or device
9 issued by a governmental agency for a motor vehicle
10 indicating the vehicle is insured for liability pursuant to
11 law;

12 (h) the display of electronic images on a cellular
13 phone or other type of portable electronic device. The use
14 of a cellular phone or other type of portable electronic
15 device to display proof of insurance does not constitute
16 consent for a law enforcement officer, court, or other
17 officer of the court to access other contents of the
18 electronic device. Any law enforcement officer, court, or
19 officer of the court presented with the device shall be
20 immune from any liability resulting from damage to the
21 mobile electronic device.

22 An insurance card shall be provided for each motor vehicle
23 insured by the insurer issuing the liability insurance policy
24 and may be issued in either paper or electronic format.
25 Acceptable electronic formats shall permit display on a
26 cellular phone or other portable electronic device and satisfy

1 all other requirements of law and rule, including this Section,
2 regarding form and content.

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

18 No insurer shall issue a card, similar in appearance, form
19 and content to the insurance card required under this Section,
20 in connection with an insurance policy that does not provide
21 the liability insurance coverage required under Section 7-601
22 of this Code.

23 The evidence of insurance shall be displayed upon request
24 made by any law enforcement officer wearing a uniform or
25 displaying a badge or other sign of authority. Any person who
26 fails or refuses to comply with such request is in violation of

1 Section 3-707 of this Code unless evidence of motor vehicle
2 liability insurance or other evidence of financial
3 responsibility as provided in this Code is verified through the
4 online insurance verification system. Any person who displays
5 evidence of insurance, knowing there is no valid liability
6 insurance in effect on the motor vehicle as required under
7 Section 7-601 of this Code or knowing the evidence of insurance
8 is illegally altered, counterfeit or otherwise invalid, is in
9 violation of Section 3-710 of this Code.

10 "Display" means the manual surrender of the evidence of
11 insurance into the hands of the law enforcement officer, court,
12 or officer of the court making the request for the officer's,
13 court's, or officer of the court's inspection thereof.

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

15 (625 ILCS 5/7-604) (from Ch. 95 1/2, par. 7-604)

16 (Section scheduled to be repealed on December 31, 2015)

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

18 (a) The Secretary of State may select random samples of
19 registrations of motor vehicles subject to Section 7-601 of
20 this Code, or owners thereof, for the purpose of verifying
21 whether or not the motor vehicles are insured.

22 In addition to such general random samples of motor vehicle
23 registrations, the Secretary may select for verification other
24 random samples, including, but not limited to registrations of
25 motor vehicles owned by persons:

1 (1) whose motor vehicle registrations during the
2 preceding 4 years have been suspended pursuant to Section
3 7-606 or 7-607 of this Code;

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

7 (3) whose driving privileges have been suspended
8 during the preceding 4 years;

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

13 (5) who during the preceding 4 years have received a
14 disposition of supervision under subsection (c) of Section
15 5-6-1 of the Unified Code of Corrections for a violation of
16 Section 3-707, 3-708, or 3-710 of this Code.

17 (a-1) The Secretary of State may review registrations of
18 motor vehicles subject to Section 7-601 of this Code, or owners
19 and operators thereof, for the purpose of verifying whether or
20 not the motor vehicles are insured through the online insurance
21 verification system. If the Secretary cannot verify the
22 insurance status of a vehicle using the online insurance
23 verification system or other method for deposits of cash or
24 motor vehicle insurance liability bonds, the Secretary may send
25 the owner or operator a request for information under
26 subsection (c) of this Section.

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

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

17 (d) Within 30 days after the Secretary mails a request, the
18 owner to whom it is sent shall furnish the requested
19 information to the Secretary above the owner's signed
20 affirmation that such information is true and correct. Proof of
21 insurance in effect on the verification date, as prescribed by
22 the Secretary, may be considered by the Secretary to be a
23 satisfactory response to the request for information.

24 Any owner whose response indicates that his or her vehicle
25 was not covered by a liability insurance policy in accordance
26 with Section 7-601 of this Code shall be deemed to have

1 registered or maintained registration of a motor vehicle in
2 violation of that Section. Any owner who fails to respond to
3 such a request shall be deemed to have registered or maintained
4 registration of a motor vehicle in violation of Section 7-601
5 of this Code.

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

17 (f) No random sample selected under this Section shall be
18 categorized on the basis of race, color, religion, sex,
19 national origin, ancestry, age, marital status, physical or
20 mental disability, economic status or geography.

21 (g) This Section is repealed on December 31, 2016 ~~2015~~.

22 (Source: P.A. 98-787, eff. 7-25-14.)

23 (625 ILCS 5/7-604.5 new)

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

25 (a) For the purposes of this Section, except in those

1 instances where the context clearly indicates a different
2 meaning:

3 "Advisory council" means the Insurance Verification
4 Advisory Council.

5 "Director" means the Director of Insurance or his or
6 her designee.

7 "Insurer" means an insurance company licensed or
8 authorized to do business in this State and insuring motor
9 vehicles.

10 "NAIC number" means the unique identification number
11 assigned to an insurance company by the National
12 Association of Insurance Commissioners.

13 (b) The Insurance Verification Advisory Council is created
14 and shall consist of a group of 14 voting members consisting
15 of: 2 representatives of the Secretary of State, a
16 representative of the Department of Transportation, a
17 representative of the Department of Insurance, 3 insurance
18 company representatives appointed by the Director of
19 Insurance, a representative of the Specialty Insurers
20 Association of Illinois, a representative of the Illinois
21 Insurance Association, a representative of the American
22 Insurance Association, a representative of the National
23 Association of Mutual Insurance Companies, a representative of
24 the Property and Casualty Insurers Association of America, a
25 representative of the Independent Insurance Agents of
26 Illinois, and a representative of the Illinois Judges

1 Association appointed by the president of the association. This
2 group shall be chaired by the Secretary of State or his or her
3 designee.

4 (c) The advisory council shall:

5 (1) facilitate the implementation of an online
6 insurance verification system;

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

10 (3) conduct a testing phase for the online insurance
11 verification system; and

12 (4) issue a report, based on periodic reviews of the
13 online insurance verification system, to the Secretary of
14 State, the Secretary of Transportation, and the Director of
15 Insurance evaluating the online insurance verification
16 system's effectiveness in identifying uninsured motorists
17 and making recommendations for improvement on or before
18 January 1 of each year.

19 (d) The Secretary of State shall:

20 (1) cooperate with insurers in implementing the online
21 insurance verification system;

22 (2) administer and maintain the online insurance
23 verification system and implement changes as necessary;

24 (3) conduct a pilot project to test the online
25 insurance verification system prior to statewide use;

26 (4) establish the online insurance verification system

1 framework necessary to inquire of insurers by using
2 multiple keys for greater matching accuracy, including,
3 but not limited to: Insurer NAIC number, vehicle
4 identification number, policy number, and other key or keys
5 specified by the advisory council;

6 (5) keep the advisory council informed on
7 implementation status;

8 (6) maintain the list of authorized requesting
9 entities and individuals and make that a part of the online
10 insurance verification system;

11 (7) provide data security for the type of information
12 transferred as prescribed by the advisory council. Data
13 secured via the online insurance verification system may
14 not be shared with any party other than those permitted by
15 State or federal privacy laws;

16 (8) keep the advisory council informed on
17 functionality and planned or unplanned service
18 interruptions;

19 (9) provide alternative methods of reporting for small
20 insurers underwriting no more than 500 vehicles in the
21 State; and

22 (10) establish a fund for the implementation and
23 administration of the online insurance verification
24 system.

25 (e) Nothing in this Section prohibits the Secretary from
26 using the services of a third party vendor for facilitating the

1 insurance verification program required by this Section. The
2 Secretary may enter into a personal services contract with a
3 consulting firm having personnel with extensive operational
4 and management experience in the development, deployment, and
5 operation of insurance verification programs. This firm shall
6 assist in operating a pilot program by analyzing and using
7 available data to share nationally-recognized best practices
8 for operating insurance verification programs, to study
9 existing and planned practices and implement recommendations
10 for improvement, and to have responsibility for reducing
11 uninsured motorist rates in this State.

12 (f) The online insurance verification system shall:

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

15 (2) allow access by the courts, insurers, law
16 enforcement, and offices of the licensing officials
17 charged with motor vehicle registration and titling
18 responsibilities only through authorized personnel of the
19 Secretary of State;

20 (3) allow insurer access only to data or information
21 transmission as required to operate the online insurance
22 verification system;

23 (4) be able to verify on a 24-hour, 7 days per week
24 basis, with the exception of time for system maintenance as
25 prescribed by the advisory council, the insurance status of
26 a motor vehicle through the Internet or other electronic

1 system as recommended by the advisory council and adopted
2 by the Secretary;

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

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

9 (7) utilize open and agreed to data and data
10 transmission standards and standard database schema as
11 specified by the advisory council.

12 (g) Each insurer shall:

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

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

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

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

26 (h) An insurer that willfully fails to provide information

1 as required by this Section shall be guilty of a business
2 offense with a fine of up to \$5,000 per violation.

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

6 (j) The Insurance Verification Fund is created in the State
7 treasury. Moneys in the Insurance Verification Fund shall be
8 used by the Secretary for implementing and administering the
9 online insurance verification system.

10 (625 ILCS 5/7-605) (from Ch. 95 1/2, par. 7-605)

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

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

21 (625 ILCS 5/7-606) (from Ch. 95 1/2, par. 7-606)

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

24 (a) Suspension and reinstatement of vehicle registration.

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

11 The Secretary is authorized to suspend the registration of
12 any motor vehicle registered in this State upon receiving
13 notice of the conviction of the operator of the motor vehicle
14 in another State of an offense which, if committed in this
15 State, would constitute a violation of Section 7-601 of this
16 Code.

17 Until it is terminated, the suspension shall remain in
18 force after the registration is renewed or a new registration
19 is acquired for the motor vehicle. The suspension also shall
20 apply to any motor vehicle to which the owner transfers the
21 registration.

22 In the case of a first violation, the Secretary shall
23 terminate the suspension upon payment by the owner of a
24 reinstatement fee of \$100 and submission of proof of insurance
25 as prescribed by the Secretary.

26 In the case of a second or subsequent violation by a person

1 having ownership interest in a motor vehicle or vehicles within
2 the preceding 4 years, or a violation of Section 3-708 of this
3 Code, the Secretary shall terminate the suspension 4 months
4 after its effective date upon payment by the owner of a
5 reinstatement fee of \$100 and submission of proof of insurance
6 as prescribed by the Secretary.

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

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

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

20 The Secretary may suspend the driver's license of any owner
21 of any motor vehicle registered in this State upon receiving
22 notice of the conviction of the operator of the motor vehicle
23 in another state of an offense which, if committed in this
24 State, would constitute a violation of Section 7-601 of this
25 Code.

26 In the case of a first violation, the Secretary shall

1 terminate the suspension upon payment by the owner of a
2 reinstatement fee of \$100 and submission of proof of insurance
3 as set forth below.

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

11 A person whose license is suspended under this subsection
12 must give proof to the Secretary of State of the person's
13 financial responsibility as defined in Section 7-315. The
14 person must maintain the proof in a manner satisfactory to the
15 Secretary for a minimum period of 3 years after the date the
16 proof is first filed.

17 All fees collected under this Section shall be deposited
18 into the Road Fund.

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

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| 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 |
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