

1 AN ACT regarding vehicles.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Vehicle Code is amended by  
5 changing Sections 5-101, 5-102, 7-202, 7-317, and 7-601 as  
6 follows:

7 (625 ILCS 5/5-101) (from Ch. 95 1/2, par. 5-101)

8 Sec. 5-101. New vehicle dealers must be licensed.

9 (a) No person shall engage in this State in the business  
10 of selling or dealing in, on consignment or otherwise, new  
11 vehicles of any make, or act as an intermediary or agent or  
12 broker for any licensed dealer or vehicle purchaser other  
13 than as a salesperson, or represent or advertise that he is  
14 so engaged or intends to so engage in such business unless  
15 licensed to do so in writing by the Secretary of State under  
16 the provisions of this Section.

17 (b) An application for a new vehicle dealer's license  
18 shall be filed with the Secretary of State, duly verified by  
19 oath, on such form as the Secretary of State may by rule or  
20 regulation prescribe and shall contain:

21 1. The name and type of business organization of  
22 the applicant and his established and additional places  
23 of business, if any, in this State.

24 2. If the applicant is a corporation, a list of its  
25 officers, directors, and shareholders having a ten  
26 percent or greater ownership interest in the corporation,  
27 setting forth the residence address of each; if the  
28 applicant is a sole proprietorship, a partnership, an  
29 unincorporated association, a trust, or any similar form  
30 of business organization, the name and residence address  
31 of the proprietor or of each partner, member, officer,

1 director, trustee, or manager.

2 3. The make or makes of new vehicles which the  
3 applicant will offer for sale at retail in this State.

4 4. The name of each manufacturer or franchised  
5 distributor, if any, of new vehicles with whom the  
6 applicant has contracted for the sale of such new  
7 vehicles. As evidence of this fact, the application shall  
8 be accompanied by a signed statement from each such  
9 manufacturer or franchised distributor. If the applicant  
10 is in the business of offering for sale new conversion  
11 vehicles, trucks or vans, except for trucks modified to  
12 serve a special purpose which includes but is not limited  
13 to the following vehicles: street sweepers, fertilizer  
14 spreaders, emergency vehicles, implements of husbandry or  
15 maintenance type vehicles, he must furnish evidence of a  
16 sales and service agreement from both the chassis  
17 manufacturer and second stage manufacturer.

18 5. A statement that the applicant has been approved  
19 for registration under the Retailers' Occupation Tax Act  
20 by the Department of Revenue: Provided that this  
21 requirement does not apply to a dealer who is already  
22 licensed hereunder with the Secretary of State, and who  
23 is merely applying for a renewal of his license. As  
24 evidence of this fact, the application shall be  
25 accompanied by a certification from the Department of  
26 Revenue showing that that Department has approved the  
27 applicant for registration under the Retailers'  
28 Occupation Tax Act.

29 6. A statement that the applicant has complied with  
30 the appropriate liability insurance requirement. A  
31 Certificate of Insurance in a solvent company authorized  
32 to do business in the State of Illinois shall be included  
33 with each application covering each location at which he  
34 proposes to act as a new vehicle dealer. The policy must

1 provide liability coverage for the new vehicle dealer and  
2 its officers, directors, and employees while acting  
3 within the course and scope of their employment in the  
4 minimum amounts of \$100,000 for bodily injury to, or  
5 death of, any person, \$300,000 for bodily injury to, or  
6 death of, two or more persons in any one accident, and  
7 \$50,000 for damage to property. Such policy shall expire  
8 not sooner than December 31 of the year for which the  
9 license was issued or renewed. The expiration of the  
10 insurance policy shall not terminate the liability under  
11 the policy arising during the period for which the policy  
12 was filed. Trailer and mobile home dealers are exempt  
13 from this requirement.

14 The liability insurance policy must provide  
15 automobile liability coverage in the minimum amounts of  
16 \$100,000 for bodily injury to or the death of any person,  
17 \$300,000 for bodily injury to or the death of any 2 or  
18 more persons in any one accident, and \$50,000 for damage  
19 to property for any permitted user of the new vehicle  
20 dealer's vehicle.

21 As used in this paragraph 6, a "permitted user" is a  
22 person who, for a period of less than 12 hours and with  
23 the permission of the new vehicle dealer or an employee  
24 of the new vehicle dealer, drives a vehicle owned and  
25 held for sale or lease by a new vehicle dealer which the  
26 person is considering to purchase or lease, in order to  
27 evaluate the performance, reliability, or condition of  
28 the vehicle.

29 7. (A) An application for a new motor vehicle  
30 dealer's license shall be accompanied by the  
31 following license fees:

32 \$100 for applicant's established place of  
33 business, and \$50 for each additional place of  
34 business, if any, to which the application pertains;

1 but if the application is made after June 15 of any  
2 year, the license fee shall be \$50 for applicant's  
3 established place of business plus \$25 for each  
4 additional place of business, if any, to which the  
5 application pertains. License fees shall be  
6 returnable only in the event that the application is  
7 denied by the Secretary of State. All moneys  
8 received by the Secretary of State as license fees  
9 under this Section shall be deposited into the Motor  
10 Vehicle Review Board Fund and shall be used to  
11 administer the Motor Vehicle Review Board under the  
12 Motor Vehicle Franchise Act.

13 (B) An application for a new vehicle dealer's  
14 license, other than for a new motor vehicle dealer's  
15 license, shall be accompanied by the following  
16 license fees:

17 \$50 for applicant's established place of  
18 business, and \$25 for each additional place of  
19 business, if any, to which the application pertains;  
20 but if the application is made after June 15 of any  
21 year, the license fee shall be \$25 for applicant's  
22 established place of business plus \$12.50 for each  
23 additional place of business, if any, to which the  
24 application pertains. License fees shall be  
25 returnable only in the event that the application is  
26 denied by the Secretary of State.

27 8. A statement that the applicant's officers,  
28 directors, shareholders having a 10% or greater ownership  
29 interest therein, proprietor, a partner, member, officer,  
30 director, trustee, manager or other principals in the  
31 business have not committed in the past 3 years any one  
32 violation as determined in any civil, criminal or  
33 administrative proceedings of any one of the following  
34 Acts:

1 (A) The Anti Theft Laws of the Illinois  
2 Vehicle Code;

3 (B) The Certificate of Title Laws of the  
4 Illinois Vehicle Code;

5 (C) The Offenses against Registration and  
6 Certificates of Title Laws of the Illinois Vehicle  
7 Code;

8 (D) The Dealers, Transporters, Wreckers and  
9 Rebuilders Laws of the Illinois Vehicle Code;

10 (E) Section 21-2 of the Criminal Code of 1961,  
11 Criminal Trespass to Vehicles; or

12 (F) The Retailers' Occupation Tax Act.

13 9. A statement that the applicant's officers,  
14 directors, shareholders having a 10% or greater ownership  
15 interest therein, proprietor, partner, member, officer,  
16 director, trustee, manager or other principals in the  
17 business have not committed in any calendar year 3 or  
18 more violations, as determined in any civil, criminal or  
19 administrative proceedings, of any one or more of the  
20 following Acts:

21 (A) The Consumer Finance Act;

22 (B) The Consumer Installment Loan Act;

23 (C) The Retail Installment Sales Act;

24 (D) The Motor Vehicle Retail Installment Sales  
25 Act;

26 (E) The Interest Act;

27 (F) The Illinois Wage Assignment Act;

28 (G) Part 8 of Article XII of the Code of Civil  
29 Procedure; or

30 (H) The Consumer Fraud Act.

31 10. A bond or certificate of deposit in the amount  
32 of \$20,000 for each location at which the applicant  
33 intends to act as a new vehicle dealer. The bond shall  
34 be for the term of the license, or its renewal, for which

1 application is made, and shall expire not sooner than  
2 December 31 of the year for which the license was issued  
3 or renewed. The bond shall run to the People of the  
4 State of Illinois, with surety by a bonding or insurance  
5 company authorized to do business in this State. It  
6 shall be conditioned upon the proper transmittal of all  
7 title and registration fees and taxes (excluding taxes  
8 under the Retailers' Occupation Tax Act) accepted by the  
9 applicant as a new vehicle dealer.

10 11. Such other information concerning the business  
11 of the applicant as the Secretary of State may by rule or  
12 regulation prescribe.

13 12. A statement that the applicant understands  
14 Chapter One through Chapter Five of this Code.

15 (c) Any change which renders no longer accurate any  
16 information contained in any application for a new vehicle  
17 dealer's license shall be amended within 30 days after the  
18 occurrence of such change on such form as the Secretary of  
19 State may prescribe by rule or regulation, accompanied by an  
20 amendatory fee of \$2.

21 (d) Anything in this Chapter 5 to the contrary  
22 notwithstanding no person shall be licensed as a new vehicle  
23 dealer unless:

24 1. He is authorized by contract in writing between  
25 himself and the manufacturer or franchised distributor of  
26 such make of vehicle to so sell the same in this State,  
27 and

28 2. Such person shall maintain an established place  
29 of business as defined in this Act.

30 (e) The Secretary of State shall, within a reasonable  
31 time after receipt, examine an application submitted to him  
32 under this Section and unless he makes a determination that  
33 the application submitted to him does not conform with the  
34 requirements of this Section or that grounds exist for a

1 denial of the application, under Section 5-501 of this  
2 Chapter, grant the applicant an original new vehicle dealer's  
3 license in writing for his established place of business and  
4 a supplemental license in writing for each additional place  
5 of business in such form as he may prescribe by rule or  
6 regulation which shall include the following:

7 1. The name of the person licensed;

8 2. If a corporation, the name and address of its  
9 officers or if a sole proprietorship, a partnership, an  
10 unincorporated association or any similar form of  
11 business organization, the name and address of the  
12 proprietor or of each partner, member, officer, director,  
13 trustee or manager;

14 3. In the case of an original license, the  
15 established place of business of the licensee;

16 4. In the case of a supplemental license, the  
17 established place of business of the licensee and the  
18 additional place of business to which such supplemental  
19 license pertains;

20 5. The make or makes of new vehicles which the  
21 licensee is licensed to sell.

22 (f) The appropriate instrument evidencing the license or  
23 a certified copy thereof, provided by the Secretary of State,  
24 shall be kept posted conspicuously in the established place  
25 of business of the licensee and in each additional place of  
26 business, if any, maintained by such licensee.

27 (g) Except as provided in subsection (h) hereof, all new  
28 vehicle dealer's licenses granted under this Section shall  
29 expire by operation of law on December 31 of the calendar  
30 year for which they are granted unless sooner revoked or  
31 cancelled under the provisions of Section 5-501 of this  
32 Chapter.

33 (h) A new vehicle dealer's license may be renewed upon  
34 application and payment of the fee required herein, and

1 submission of proof of coverage under an approved bond under  
2 the "Retailers' Occupation Tax Act" or proof that applicant  
3 is not subject to such bonding requirements, as in the case  
4 of an original license, but in case an application for the  
5 renewal of an effective license is made during the month of  
6 December, the effective license shall remain in force until  
7 the application is granted or denied by the Secretary of  
8 State.

9 (i) All persons licensed as a new vehicle dealer are  
10 required to furnish each purchaser of a motor vehicle:

11 1. In the case of a new vehicle a manufacturer's  
12 statement of origin and in the case of a used motor  
13 vehicle a certificate of title, in either case properly  
14 assigned to the purchaser;

15 2. A statement verified under oath that all  
16 identifying numbers on the vehicle agree with those on  
17 the certificate of title or manufacturer's statement of  
18 origin;

19 3. A bill of sale properly executed on behalf of  
20 such person;

21 4. A copy of the Uniform Invoice-transaction  
22 reporting return referred to in Section 5-402 hereof;

23 5. In the case of a rebuilt vehicle, a copy of the  
24 Disclosure of Rebuilt Vehicle Status; and

25 6. In the case of a vehicle for which the warranty  
26 has been reinstated, a copy of the warranty.

27 (j) Except at the time of sale or repossession of the  
28 vehicle, no person licensed as a new vehicle dealer may issue  
29 any other person a newly created key to a vehicle unless the  
30 new vehicle dealer makes a copy of the driver's license or  
31 State identification card of the person requesting or  
32 obtaining the newly created key. The new vehicle dealer must  
33 retain the copy for 30 days.

34 A new vehicle dealer who violates this subsection (j) is



1 guilty of a petty offense. Violation of this subsection (j)  
2 is not cause to suspend, revoke, cancel, or deny renewal of  
3 the new vehicle dealer's license.

4 This amendatory Act of 1983 shall be applicable to the  
5 1984 registration year and thereafter.

6 (Source: P.A. 92-391, eff. 8-16-01.)

7 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

8 Sec. 5-102. Used vehicle dealers must be licensed.

9 (a) No person, other than a licensed new vehicle dealer,  
10 shall engage in the business of selling or dealing in, on  
11 consignment or otherwise, 5 or more used vehicles of any make  
12 during the year (except house trailers as authorized by  
13 paragraph (j) of this Section and rebuilt salvage vehicles  
14 sold by their rebuilders to persons licensed under this  
15 Chapter), or act as an intermediary, agent or broker for any  
16 licensed dealer or vehicle purchaser (other than as a  
17 salesperson) or represent or advertise that he is so engaged  
18 or intends to so engage in such business unless licensed to  
19 do so by the Secretary of State under the provisions of this  
20 Section.

21 (b) An application for a used vehicle dealer's license  
22 shall be filed with the Secretary of State, duly verified by  
23 oath, in such form as the Secretary of State may by rule or  
24 regulation prescribe and shall contain:

25 1. The name and type of business organization  
26 established and additional places of business, if any, in  
27 this State.

28 2. If the applicant is a corporation, a list of its  
29 officers, directors, and shareholders having a ten  
30 percent or greater ownership interest in the corporation,  
31 setting forth the residence address of each; if the  
32 applicant is a sole proprietorship, a partnership, an  
33 unincorporated association, a trust, or any similar form

1 of business organization, the names and residence address  
2 of the proprietor or of each partner, member, officer,  
3 director, trustee or manager.

4 3. A statement that the applicant has been approved  
5 for registration under the Retailers' Occupation Tax Act  
6 by the Department of Revenue. However, this requirement  
7 does not apply to a dealer who is already licensed  
8 hereunder with the Secretary of State, and who is merely  
9 applying for a renewal of his license. As evidence of  
10 this fact, the application shall be accompanied by a  
11 certification from the Department of Revenue showing that  
12 the Department has approved the applicant for  
13 registration under the Retailers' Occupation Tax Act.

14 4. A statement that the applicant has complied with  
15 the appropriate liability insurance requirement. A  
16 Certificate of Insurance in a solvent company authorized  
17 to do business in the State of Illinois shall be included  
18 with each application covering each location at which he  
19 proposes to act as a used vehicle dealer. The policy  
20 must provide liability coverage for the used vehicle  
21 dealer and its officers, directors, and employees while  
22 acting within the course and scope of their employment in  
23 the minimum amounts of \$100,000 for bodily injury to, or  
24 death of, any person, \$300,000 for bodily injury to, or  
25 death of, two or more persons in any one accident, and  
26 \$50,000 for damage to property. Such policy shall expire  
27 not sooner than December 31 of the year for which the  
28 license was issued or renewed. The expiration of the  
29 insurance policy shall not terminate the liability under  
30 the policy arising during the period for which the policy  
31 was filed. Trailer and mobile home dealers are exempt  
32 from this requirement.

33 The liability insurance policy must provide  
34 automobile liability coverage in the minimum amounts of

1 \$100,000 for bodily injury to or the death of any person,  
2 \$300,000 for bodily injury to or the death of any 2 or  
3 more persons in any one accident, and \$50,000 for damage  
4 to property for any permitted user of the used vehicle  
5 dealer's vehicle.

6 As used in this paragraph 4, a "permitted user" is a  
7 person who, for a period of less than 12 hours and with  
8 the permission of the used vehicle dealer or an employee  
9 of the used vehicle dealer, drives a vehicle owned and  
10 held for sale or lease by a used vehicle dealer which the  
11 person is considering to purchase or lease, in order to  
12 evaluate the performance, reliability, or condition of  
13 the vehicle.

14 5. An application for a used vehicle dealer's  
15 license shall be accompanied by the following license  
16 fees:

17 \$50 for applicant's established place of business,  
18 and \$25 for each additional place of business, if any, to  
19 which the application pertains; however, if the  
20 application is made after June 15 of any year, the  
21 license fee shall be \$25 for applicant's established  
22 place of business plus \$12.50 for each additional place  
23 of business, if any, to which the application pertains.  
24 License fees shall be returnable only in the event that  
25 the application is denied by the Secretary of State.

26 6. A statement that the applicant's officers,  
27 directors, shareholders having a 10% or greater ownership  
28 interest therein, proprietor, partner, member, officer,  
29 director, trustee, manager or other principals in the  
30 business have not committed in the past 3 years any one  
31 violation as determined in any civil, criminal or  
32 administrative proceedings of any one of the following  
33 Acts:

34 (A) The Anti Theft Laws of the Illinois

1 Vehicle Code;

2 (B) The Certificate of Title Laws of the  
3 Illinois Vehicle Code;

4 (C) The Offenses against Registration and  
5 Certificates of Title Laws of the Illinois Vehicle  
6 Code;

7 (D) The Dealers, Transporters, Wreckers and  
8 Rebuilders Laws of the Illinois Vehicle Code;

9 (E) Section 21-2 of the Illinois Criminal Code  
10 of 1961, Criminal Trespass to Vehicles; or

11 (F) The Retailers' Occupation Tax Act.

12 7. A statement that the applicant's officers,  
13 directors, shareholders having a 10% or greater ownership  
14 interest therein, proprietor, partner, member, officer,  
15 director, trustee, manager or other principals in the  
16 business have not committed in any calendar year 3 or  
17 more violations, as determined in any civil or criminal  
18 or administrative proceedings, of any one or more of the  
19 following Acts:

20 (A) The Consumer Finance Act;

21 (B) The Consumer Installment Loan Act;

22 (C) The Retail Installment Sales Act;

23 (D) The Motor Vehicle Retail Installment Sales  
24 Act;

25 (E) The Interest Act;

26 (F) The Illinois Wage Assignment Act;

27 (G) Part 8 of Article XII of the Code of Civil  
28 Procedure; or

29 (H) The Consumer Fraud Act.

30 8. A bond or Certificate of Deposit in the amount  
31 of \$20,000 for each location at which the applicant  
32 intends to act as a used vehicle dealer. The bond shall  
33 be for the term of the license, or its renewal, for which  
34 application is made, and shall expire not sooner than

1 December 31 of the year for which the license was issued  
2 or renewed. The bond shall run to the People of the  
3 State of Illinois, with surety by a bonding or insurance  
4 company authorized to do business in this State. It  
5 shall be conditioned upon the proper transmittal of all  
6 title and registration fees and taxes (excluding taxes  
7 under the Retailers' Occupation Tax Act) accepted by the  
8 applicant as a used vehicle dealer.

9 9. Such other information concerning the business  
10 of the applicant as the Secretary of State may by rule or  
11 regulation prescribe.

12 10. A statement that the applicant understands  
13 Chapter 1 through Chapter 5 of this Code.

14 (c) Any change which renders no longer accurate any  
15 information contained in any application for a used vehicle  
16 dealer's license shall be amended within 30 days after the  
17 occurrence of each change on such form as the Secretary of  
18 State may prescribe by rule or regulation, accompanied by an  
19 amendatory fee of \$2.

20 (d) Anything in this Chapter to the contrary  
21 notwithstanding, no person shall be licensed as a used  
22 vehicle dealer unless such person maintains an established  
23 place of business as defined in this Chapter.

24 (e) The Secretary of State shall, within a reasonable  
25 time after receipt, examine an application submitted to him  
26 under this Section. Unless the Secretary makes a  
27 determination that the application submitted to him does not  
28 conform to this Section or that grounds exist for a denial of  
29 the application under Section 5-501 of this Chapter, he must  
30 grant the applicant an original used vehicle dealer's license  
31 in writing for his established place of business and a  
32 supplemental license in writing for each additional place of  
33 business in such form as he may prescribe by rule or  
34 regulation which shall include the following:

- 1           1. The name of the person licensed;
  - 2           2. If a corporation, the name and address of its  
3 officers or if a sole proprietorship, a partnership, an  
4 unincorporated association or any similar form of  
5 business organization, the name and address of the  
6 proprietor or of each partner, member, officer, director,  
7 trustee or manager;
  - 8           3. In case of an original license, the established  
9 place of business of the licensee;
  - 10          4. In the case of a supplemental license, the  
11 established place of business of the licensee and the  
12 additional place of business to which such supplemental  
13 license pertains.
- 14          (f) The appropriate instrument evidencing the license or  
15 a certified copy thereof, provided by the Secretary of State  
16 shall be kept posted, conspicuously, in the established place  
17 of business of the licensee and in each additional place of  
18 business, if any, maintained by such licensee.
- 19          (g) Except as provided in subsection (h) of this  
20 Section, all used vehicle dealer's licenses granted under  
21 this Section expire by operation of law on December 31 of the  
22 calendar year for which they are granted unless sooner  
23 revoked or cancelled under Section 5-501 of this Chapter.
- 24          (h) A used vehicle dealer's license may be renewed upon  
25 application and payment of the fee required herein, and  
26 submission of proof of coverage by an approved bond under the  
27 "Retailers' Occupation Tax Act" or proof that applicant is  
28 not subject to such bonding requirements, as in the case of  
29 an original license, but in case an application for the  
30 renewal of an effective license is made during the month of  
31 December, the effective license shall remain in force until  
32 the application for renewal is granted or denied by the  
33 Secretary of State.
- 34          (i) All persons licensed as a used vehicle dealer are

1 required to furnish each purchaser of a motor vehicle:

2 1. A certificate of title properly assigned to the  
3 purchaser;

4 2. A statement verified under oath that all  
5 identifying numbers on the vehicle agree with those on  
6 the certificate of title;

7 3. A bill of sale properly executed on behalf of  
8 such person;

9 4. A copy of the Uniform Invoice-transaction  
10 reporting return referred to in Section 5-402 of this  
11 Chapter;

12 5. In the case of a rebuilt vehicle, a copy of the  
13 Disclosure of Rebuilt Vehicle Status; and

14 6. In the case of a vehicle for which the warranty  
15 has been reinstated, a copy of the warranty.

16 (j) A real estate broker holding a valid certificate of  
17 registration issued pursuant to "The Real Estate Brokers and  
18 Salesmen License Act" may engage in the business of selling  
19 or dealing in house trailers not his own without being  
20 licensed as a used vehicle dealer under this Section; however  
21 such broker shall maintain a record of the transaction  
22 including the following:

23 (1) the name and address of the buyer and seller,

24 (2) the date of sale,

25 (3) a description of the mobile home, including the  
26 vehicle identification number, make, model, and year, and

27 (4) the Illinois certificate of title number.

28 The foregoing records shall be available for inspection  
29 by any officer of the Secretary of State's Office at any  
30 reasonable hour.

31 (k) Except at the time of sale or repossession of the  
32 vehicle, no person licensed as a used vehicle dealer may  
33 issue any other person a newly created key to a vehicle  
34 unless the used vehicle dealer makes a copy of the driver's

1 license or State identification card of the person requesting  
2 or obtaining the newly created key. The used vehicle dealer  
3 must retain the copy for 30 days.

4 A used vehicle dealer who violates this subsection (k) is  
5 guilty of a petty offense. Violation of this subsection (k)  
6 is not cause to suspend, revoke, cancel, or deny renewal of  
7 the used vehicle dealer's license.

8 (Source: P.A. 92-391, eff. 8-16-01.)

9 (625 ILCS 5/7-202) (from Ch. 95 1/2, par. 7-202)

10 Sec. 7-202. Exceptions to requirements of security. (a)  
11 The requirements as to security and suspension as provided by  
12 Sections 7-201 and 7-205 shall not apply:

13 1. To the driver or owner if such owner had in effect at  
14 the time of such motor vehicle accident a liability policy  
15 covering such driver and owner with respect to the vehicle  
16 involved in such motor vehicle accident;

17 2. To the driver, if not the owner of such vehicle, if  
18 there was in effect at the time of such motor vehicle  
19 accident a liability policy or bond with respect to the  
20 operation of motor vehicles not owned by the driver;

21 3. To the driver or owner if the liability of such  
22 driver or owner for damages resulting from such motor vehicle  
23 accident is covered by any other form of liability insurance  
24 policy or bond;

25 4. To the driver or owner, if such owner is qualified as  
26 a self-insurer as provided in Section 7-502;

27 5. To the owner if such owner at the time of such motor  
28 vehicle accident was in compliance with Section 8-101 or  
29 Section 9-101, or if the owner was a new vehicle dealer in  
30 compliance with paragraph 6 of subsection (b) of Section  
31 5-101 or a used vehicle dealer in compliance with paragraph 4



1 of subsection (b) of Section 5-102;

2 6. To the driver or owner if such owner at the time of  
3 such motor vehicle accident was in compliance with the  
4 Federal Revised Interstate Commerce Act (P.L. 95-473), as now  
5 or hereafter amended;

6 7. To the owner if the vehicle involved in such motor  
7 vehicle accident was owned by the United States, this State  
8 or any political sub-division of this State, any municipality  
9 therein, or any local Mass Transit District;

10 8. To the driver or the owner of a vehicle involved in a  
11 motor vehicle accident wherein no injury or damage was caused  
12 to the person or property of any one other than such driver  
13 or owner;

14 9. To the driver or the owner of a vehicle which at the  
15 time of the motor vehicle accident was parked, unless such  
16 vehicle was parked at a place where parking was at the time  
17 of the accident prohibited under any applicable law or  
18 ordinance;

19 10. To the owner of a vehicle if at the time of the  
20 motor vehicle accident the vehicle was being operated without  
21 his permission, express or implied, or was parked by a person  
22 who had been operating such motor vehicle without such  
23 permission;

24 11. To the driver, if not the owner, of a commercial  
25 motor vehicle on which there was no liability policy or bond  
26 with respect to the operation of such vehicle in effect at  
27 the time of the motor vehicle accident when the driver was  
28 operating the vehicle in the course of the driver's  
29 employment and had no actual knowledge of such lack of a  
30 liability policy or bond prior to the motor vehicle accident.

31 (b) If at the time of the motor vehicle accident, an  
32 owner or driver is covered by a motor vehicle liability  
33 policy or bond meeting the requirements of this Code, such  
34 owner or driver shall be exempt from suspension under Section

1 7-205 as to that motor vehicle accident, if the company  
2 issuing the policy or bond has failed, and such policy or  
3 bond was not effective at the time of the motor vehicle  
4 accident or any time thereafter, provided, that the owner or  
5 driver had no knowledge of the company's failure prior to the  
6 motor vehicle accident, and such owner or driver has secured  
7 within 30 days after learning of such failure another  
8 liability policy or bond meeting the requirements of the Code  
9 relating to future occurrences or motor vehicle accidents.

10 As used in this paragraph, the words "failed" or  
11 "failure" mean that the company has suspended operations by  
12 order of a court.

13 (Source: P.A. 85-293.)

14 (625 ILCS 5/7-317) (from Ch. 95 1/2, par. 7-317)

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

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

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

29 2. Shall insure the person named therein and any other  
30 person using or responsible for the use of such motor vehicle  
31 or vehicles with the express or implied permission of the  
32 insured, except that with respect to new vehicle dealers it  
33 shall insure permitted users only to the extent provided in

1 paragraph 6 of subsection (b) of Section 5-101, and with  
2 respect to used vehicle dealers it shall insure permitted  
3 users only to the extent provided in paragraph 4 of  
4 subsection (b) of Section 5-102;

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

21 As used in this subsection (b), a "permitted user" is a  
22 person who, for a period of less than 12 hours and with the  
23 permission of the new or used vehicle dealer or an employee  
24 of the new or used vehicle dealer, drives a vehicle owned and  
25 held for sale or lease by the new or used vehicle dealer  
26 which the person is considering to purchase or lease, in  
27 order to evaluate the performance, reliability, or condition  
28 of the vehicle.

29 (c) Operator's Policy. --When an operator's policy is  
30 required, it shall insure the person named therein as insured  
31 against the liability imposed by law upon the insured for  
32 bodily injury to or death of any person or damage to property  
33 to the amounts and limits above set forth and growing out of  
34 the use or operation by the insured within the continental

1 limits of the United States or the Dominion of Canada of any  
2 motor vehicle not owned by him.

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

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

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

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

27 2. No such policy may be cancelled or annulled as  
28 respects any loss or damage, by any agreement between the  
29 carrier and the insured after the insured has become  
30 responsible for such loss or damage, and any such  
31 cancellation or annulment shall be void.

32 3. The insurance carrier shall, however, have the right  
33 to settle any claim covered by the policy, and if such  
34 settlement is made in good faith, the amount thereof shall be

1 deductible from the limits of liability specified in the  
2 policy.

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

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

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

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

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

30 (k) Copy of Policy to Be Filed with Department of  
31 Insurance--Approval. --A copy of the form of every motor  
32 vehicle liability policy which is to be used to meet the  
33 requirements of this Act must be filed, by the company  
34 offering such policy, with the Department of Insurance, which

1 shall approve or disapprove the policy within 30 days of its  
2 filing. If the Department approves the policy in writing  
3 within such 30 day period or fails to take action for 30  
4 days, the form of policy shall be deemed approved as filed.  
5 If within the 30 days the Department disapproves the form of  
6 policy filed upon the ground that it does not comply with the  
7 requirements of this Act, the Department shall give written  
8 notice of its decision and its reasons therefor to the  
9 carrier and the policy shall not be accepted as proof of  
10 financial responsibility under this Act.

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

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

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

27 (625 ILCS 5/7-601) (from Ch. 95 1/2, par. 7-601)

28 Sec. 7-601. Required liability insurance policy.

29 (a) No person shall operate, register or maintain  
30 registration of, and no owner shall permit another person to  
31 operate, register or maintain registration of, a motor  
32 vehicle designed to be used on a public highway unless the  
33 motor vehicle is covered by a liability insurance policy.

1           The insurance policy shall be issued in amounts no less  
2 than the minimum amounts set for bodily injury or death and  
3 for destruction of property under Section 7-203 of this Code,  
4 and shall be issued in accordance with the requirements of  
5 Sections 143a and 143a-2 of the Illinois Insurance Code, as  
6 amended. No insurer other than an insurer authorized to do  
7 business in this State shall issue a policy pursuant to this  
8 Section for any vehicle subject to registration under this  
9 Code. Nothing herein shall deprive an insurer of any policy  
10 defense available at common law.

11           (b) The following vehicles are exempt from the  
12 requirements of this Section:

13                 (1) vehicles subject to the provisions of Chapters  
14 8 or 18a, Article III or Section 7-609 of Chapter 7, or  
15 Sections 12-606 or 12-707.01 of Chapter 12 of this Code;

16                 (2) vehicles required to file proof of liability  
17 insurance with the Illinois Commerce Commission;

18                 (3) vehicles covered by a certificate of  
19 self-insurance under Section 7-502 of this Code;

20                 (4) vehicles owned by the United States, the State  
21 of Illinois, or any political subdivision, municipality  
22 or local mass transit district;

23                 (5) implements of husbandry;

24                 (6) other vehicles complying with laws which  
25 require them to be insured in amounts meeting or  
26 exceeding the minimum amounts required under this  
27 Section; and

28                 (7) inoperable or stored vehicles that are not  
29 operated, as defined by rules and regulations of the  
30 Secretary; and-

31                 (8) vehicles of new vehicle dealers complying with  
32 paragraph 6 of subsection (b) of Section 5-101 and  
33 vehicles of used vehicle dealers complying with paragraph  
34 4 of subsection (b) of Section 5-102.

1 (c) Every employee of a State agency, as that term is  
2 defined in the Illinois State Auditing Act, who is assigned a  
3 specific vehicle owned or leased by the State on an ongoing  
4 basis shall provide the certification described in this  
5 Section annually to the director or chief executive officer  
6 of his or her agency.

7 The certification shall affirm that the employee is duly  
8 licensed to drive the assigned vehicle and that (i) the  
9 employee has liability insurance coverage extending to the  
10 employee when the assigned vehicle is used for other than  
11 official State business, or (ii) the employee has filed a  
12 bond with the Secretary of State as proof of financial  
13 responsibility, in an amount equal to, or in excess of the  
14 requirements stated within this Section. Upon request of the  
15 agency director or chief executive officer, the employee  
16 shall present evidence to support the certification.

17 The certification shall be provided during the period  
18 July 1 through July 31 of each calendar year, or within 30  
19 days of any new assignment of a vehicle on an ongoing basis,  
20 whichever is later.

21 The employee's authorization to use the assigned vehicle  
22 shall automatically be rescinded upon:

23 (1) the revocation or suspension of the license  
24 required to drive the assigned vehicle;

25 (2) the cancellation or termination for any reason  
26 of the automobile liability insurance coverage as  
27 required in item (c) (i); or

28 (3) the termination of the bond filed with the  
29 Secretary of State.

30 All State employees providing the required certification  
31 shall immediately notify the agency director or chief  
32 executive officer in the event any of these actions occur.

33 All peace officers employed by a State agency who are  
34 primarily responsible for prevention and detection of crime



1 and the enforcement of the criminal, traffic, or highway laws  
2 of this State, and prohibited by agency rule or policy to use  
3 an assigned vehicle owned or leased by the State for regular  
4 personal or off-duty use, are exempt from the requirements of  
5 this Section.

6 (Source: P.A. 91-661, eff. 12-22-99.)

7 Section 98. Applicability. The changes made by this  
8 amendatory Act of the 92nd General Assembly apply only to  
9 actions commenced and complaints filed on or after the  
10 effective date of this amendatory Act of the 92nd General  
11 Assembly.