AN ACT concerning regulation.

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

Section 5. The Currency Exchange Act is amended by changing Section 6 as follows:

(205 ILCS 405/6) (from Ch. 17, par. 4813)

Sec. 6. Insurance against loss.

(a) Every applicant for a license hereunder shall, after his application for a license has been approved, file with and have approved by the Secretary of Financial and Professional Regulation ~~Director~~, a policy or policies of insurance issued by an insurance company or indemnity company authorized to do business under the law of this State, which shall insure the applicant against loss by theft, burglary, robbery or forgery in a principal sum as hereinafter provided; if the average amount of cash and liquid funds to be kept on hand in the office of the community currency exchange during the year will not be in excess of $10,000 the policy or policies shall be in the principal sum of $10,000. If such average amount will be in excess of $10,000, the policy or policies shall be for an additional principal sum of $500 for each $1,000 or fraction thereof of such excess over the original $10,000. From time to time, the Secretary ~~Director~~ may determine the amount of cash and liquid funds on hand in the office of any community currency exchange and shall require the licensee to submit additional policies if the same are determined to be necessary in accordance with the requirements of this Section.

However, any community currency exchange licensed under this Act may meet the bonding requirements of this subsection (a) by submitting evidence satisfactory to the Secretary that the licensee is covered by a blanket bond that covers multiple licensees. The blanket bond: (i) shall insure the licensee against loss by theft, robbery, or forgery; (ii) shall be issued by a bonding company authorized to do business in this State; and (iii) shall be in the principal sum of an amount equal to the maximum amount required under this Section for any one licensee covered by the bond.

Any such policy or policies, with respect to forgery, may carry a condition that the community currency exchange assumes the first $1,000 of each claim thereunder.

(b) Before an ambulatory currency exchange shall sell or issue money orders, it shall file with and have approved by the Secretary ~~Director~~, a policy or policies of insurance issued by an insurance company or indemnity company authorized to do business under the laws of this State, which shall insure such ambulatory currency exchange against loss by theft, burglary, robbery, forgery or embezzlement in the principal sum of not less than $500,000. If the average amount of cash and liquid funds to be kept on hand during the year will exceed $500,000, the policy or policies shall be for an additional principal sum of $500 for each $1,000 or fraction thereof in excess of $500,000. From time to time the Secretary ~~Director~~ may determine the amount of cash and liquid funds kept on hand by an ambulatory currency exchange and shall require it to submit such additional policies as are determined to be required within the limits of this Section. No ambulatory currency exchange subject to this Section shall be required to furnish more than one policy of insurance if the policy furnished insures it against the foregoing losses at all locations served by it.

Any such policy may contain a condition that the insured assumes a portion of the loss, provided the insured shall file with such policy a sworn financial statement indicating its ability to act as self-insurer in the amount of such deductible portion of the policy without prejudice to the safety of any funds belonging to its customers. If the Secretary ~~Director~~ is not satisfied as to the financial ability of the ambulatory currency exchange, he may require it to deposit cash or United

States Government Bonds in the amount of part or all of the deductible portion of the policy.

(Source: P.A. 92-271, eff. 8-7-01.)