



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5491

by Rep. Diane Pappas

SYNOPSIS AS INTRODUCED:

625 ILCS 5/7-601

from Ch. 95 1/2, par. 7-601

Amends the Mandatory Insurance Article of the Illinois Vehicle Code. Provides that a person may not terminate a mandatory insurance policy unless he or she provides sufficient proof to the Director of Insurance and the Secretary of State that: (i) the person has obtained other insurance coverage, equivalent to the mandatory insurance; (ii) ownership of the motor vehicle has been transferred to another person; or (iii) the motor vehicle is in storage with the license plates removed and under the owner's control in such a way that the vehicle cannot legally be operated on roads in the State.

LRB101 18878 LNS 68336 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 Illinois Vehicle Code is amended by changing
5 Section 7-601 as follows:

6 (625 ILCS 5/7-601) (from Ch. 95 1/2, par. 7-601)

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

8 (a) No person shall operate, register or maintain
9 registration of, and no owner shall permit another person to
10 operate, register or maintain registration of, a motor vehicle
11 designed to be used on a public highway in this State unless
12 the motor vehicle is covered by a liability insurance policy.

13 The insurance policy shall be issued in amounts no less
14 than the minimum amounts set for bodily injury or death and for
15 destruction of property under Section 7-203 of this Code, and
16 shall be issued in accordance with the requirements of Sections
17 143a and 143a-2 of the Illinois Insurance Code, as amended. No
18 insurer other than an insurer authorized to do business in this
19 State shall issue a policy pursuant to this Section for any
20 vehicle subject to registration under this Code. Nothing herein
21 shall deprive an insurer of any policy defense available at
22 common law.

23 (b) The following vehicles are exempt from the requirements

1 of this Section:

2 (1) vehicles subject to the provisions of Chapters 8 or
3 18a, Article III or Section 7-609 of Chapter 7, or Sections
4 12-606 or 12-707.01 of Chapter 12 of this Code;

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

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

9 (4) vehicles owned by the United States, the State of
10 Illinois, or any political subdivision, municipality or
11 local mass transit district;

12 (5) implements of husbandry;

13 (6) other vehicles complying with laws which require
14 them to be insured in amounts meeting or exceeding the
15 minimum amounts required under this Section; and

16 (7) inoperable or stored vehicles that are not
17 operated, as defined by rules and regulations of the
18 Secretary.

19 (c) Every employee of a State agency, as that term is
20 defined in the Illinois State Auditing Act, who is assigned a
21 specific vehicle owned or leased by the State on an ongoing
22 basis shall provide the certification described in this Section
23 annually to the director or chief executive officer of his or
24 her agency.

25 The certification shall affirm that the employee is duly
26 licensed to drive the assigned vehicle and that (i) the

1 employee has liability insurance coverage extending to the
2 employee when the assigned vehicle is used for other than
3 official State business, or (ii) the employee has filed a bond
4 with the Secretary of State as proof of financial
5 responsibility, in an amount equal to, or in excess of the
6 requirements stated within this Section. Upon request of the
7 agency director or chief executive officer, the employee shall
8 present evidence to support the certification.

9 The certification shall be provided during the period July
10 1 through July 31 of each calendar year, or within 30 days of
11 any new assignment of a vehicle on an ongoing basis, whichever
12 is later.

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

15 (1) the revocation or suspension of the license
16 required to drive the assigned vehicle;

17 (2) the cancellation or termination for any reason of
18 the automobile liability insurance coverage as required in
19 item (c) (i); or

20 (3) the termination of the bond filed with the
21 Secretary of State.

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

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

1 the enforcement of the criminal, traffic, or highway laws of
2 this State, and prohibited by agency rule or policy to use an
3 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 (d) No person shall operate a motor vehicle registered in
7 another state upon the highways of this State unless the
8 vehicle is covered by a liability insurance policy. The
9 operator of the vehicle shall carry within the vehicle evidence
10 of the insurance.

11 (e) A person may not terminate mandatory insurance coverage
12 under this Section unless he or she provides proof to the
13 Director of Insurance and the Secretary of State that: (i) the
14 person has obtained other insurance coverage equivalent to the
15 mandatory insurance required under this Section; (ii)
16 ownership of the motor vehicle has been transferred to another
17 person; or (iii) the motor vehicle is in storage with the
18 license plates removed and under the owner's control in such a
19 way that the vehicle cannot legally be operated on roads in
20 this State.

21 (Source: P.A. 100-202, eff. 1-1-18; 100-828, eff. 1-1-19.)