



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5559

Introduced 2/9/2024, by Rep. Tracy Katz Muhl

SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.19.4 new

Amends the Illinois Insurance Code. Provides that, in addition to the options of total car replacement or a cash settlement, an insurer that issues a policy of automobile insurance shall provide to the policyholder, after the policyholder has been deemed eligible for compensation following an automobile crash, the option to be compensated for the value of repairs to make the automobile safe to drive. Requires an insurer to provide a copy of a specified rule at the time an offer of compensation for total loss is made. Requires the Department of Insurance to amend a specified rule to include information about the right of policyholders to elect to be compensated for the value of repairs to make the automobile safe to drive.

LRB103 39018 RPS 69155 b

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Insurance Code is amended by
5 adding Section 143.19.4 as follows:

6 (215 ILCS 5/143.19.4 new)

7 Sec. 143.19.4. Alternative compensation under a policy of
8 automobile insurance.

9 (a) In addition to the options of total car replacement or
10 a cash settlement, an insurer that issues a policy of
11 automobile insurance shall provide to the policyholder, after
12 the policyholder has been deemed eligible for compensation
13 following an automobile crash, the option to be compensated
14 for the value of repairs to make the automobile safe to drive.

15 (b) If an insurer offers a policyholder compensation for
16 total loss, the insurer shall provide, at the time of the offer
17 of compensation for total loss, a copy of 50 Ill. Adm. Code
18 919.EXHIBIT A, if the offer is provided via written
19 communication, or an oral description of 50 Ill. Adm. Code
20 919.EXHIBIT A, if the offer is provided via verbal
21 communication.

22 (c) The Department of Insurance shall amend 50 Ill. Adm.
23 Code 919.EXHIBIT A to include information about the right of

1 policyholders to elect to be compensated for the value of
2 repairs to make the automobile safe to drive.