

1 AMENDMENT TO SENATE BILL 741

2 AMENDMENT NO. _____. Amend Senate Bill 741 by replacing
3 the title with the following:

4 "AN ACT relating to insurance."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Insurance Code is amended by
8 adding Section 155.39 as follows:

9 (215 ILCS 5/155.39 new)

10 Sec. 155.39. Vehicle protection products.

11 (a) As used in this Section:

12 "Administrator" means a third party other than the
13 warrantor who is designated by the warrantor to be
14 responsible for the administration of vehicle protection
15 product warranties.

16 "Incidental costs" means expenses specified in the
17 vehicle protection product warranty incurred by the warranty
18 holder related to the failure of the vehicle protection
19 product to perform as provided in the warranty. Incidental
20 costs may include, without limitation, insurance policy
21 deductibles, rental vehicle charges, the difference between

1 the actual value of the stolen vehicle at the time of theft
2 and the cost of a replacement vehicle, sales taxes,
3 registration fees, transaction fees, and mechanical
4 inspection fees.

5 "Vehicle protection product" means a vehicle protection
6 device, system, or service that is (i) installed on or
7 applied to a vehicle, (ii) is designed to prevent loss or
8 damage to a vehicle from a specific cause, (iii) includes a
9 written warranty by a warrantor that provides if the vehicle
10 protection product fails to prevent loss or damage to a
11 vehicle from a specific cause, that the warranty holder shall
12 be paid specified incidental costs by the warrantor as a
13 result of the failure of the vehicle protection product to
14 perform pursuant to the terms of the warranty, and (iv) the
15 warrantor's liability is covered by a warranty reimbursement
16 insurance policy. The term "vehicle protection product" shall
17 include, without limitation, alarm systems, body part marking
18 products, steering locks, window etch products, pedal and
19 ignition locks, fuel and ignition kill switches, and
20 electronic, radio, and satellite tracking devices.

21 "Vehicle protection product warrantor" or "warrantor"
22 means a person who is contractually obligated to the warranty
23 holder under the terms of the vehicle protection product.
24 Warrantor does not include an authorized insurer.

25 "Warranty reimbursement insurance policy" means a policy
26 of insurance that is issued to the vehicle protection product
27 warrantor to provide reimbursement to the warrantor or to pay
28 on behalf of the warrantor all covered contractual
29 obligations incurred by the warrantor under the terms and
30 conditions of the insured vehicle protection product
31 warranties sold by the warrantor issued by an insurer
32 authorized to do business in this State that has filed its
33 policy form with the Department.

34 (b) No vehicle protection product sold or offered for

1 sale in this State shall be subject to the provisions of this
2 Code. Vehicle protection product warrantors and related
3 vehicle protection product sellers and warranty
4 administrators complying with this Section are not required
5 to comply with and are not subject to any other provision of
6 this Code.

7 (c) This Section applies to all vehicle protection
8 products sold or offered for sale prior to, on, or after the
9 effective date of this amendatory Act of the 93rd General
10 Assembly. The enactment of this Section does not imply that
11 vehicle protection products should have been subject to
12 regulation under this Code prior to the enactment of this
13 Section.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."