



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB1629

Introduced 2/23/2005, by Sen. Dave Sullivan

SYNOPSIS AS INTRODUCED:

205 ILCS 405/6

from Ch. 17, par. 4813

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

LRB094 10660 MKM 41020 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 Currency Exchange Act is amended by changing
5 Section 6 as follows:

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

7 Sec. 6. Insurance against loss.

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

28 However, any community currency exchange licensed under
29 this Act may meet the bonding requirements of this subsection
30 (a) by submitting evidence satisfactory to the Secretary that
31 the licensee is covered by a blanket bond that covers multiple
32 licensees. The blanket bond: (i) shall insure the licensee

1 against loss by theft, robbery, or forgery; (ii) shall be
2 issued by a bonding company authorized to do business in this
3 State; and (iii) shall be in the principal sum of an amount
4 equal to the maximum amount required under this Section for any
5 one licensee covered by the bond.

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

9 (b) Before an ambulatory currency exchange shall sell or
10 issue money orders, it shall file with and have approved by the
11 Secretary Director, a policy or policies of insurance issued by
12 an insurance company or indemnity company authorized to do
13 business under the laws of this State, which shall insure such
14 ambulatory currency exchange against loss by theft, burglary,
15 robbery, forgery or embezzlement in the principal sum of not
16 less than \$500,000. If the average amount of cash and liquid
17 funds to be kept on hand during the year will exceed \$500,000,
18 the policy or policies shall be for an additional principal sum
19 of \$500 for each \$1,000 or fraction thereof in excess of
20 \$500,000. From time to time the Secretary Director may
21 determine the amount of cash and liquid funds kept on hand by
22 an ambulatory currency exchange and shall require it to submit
23 such additional policies as are determined to be required
24 within the limits of this Section. No ambulatory currency
25 exchange subject to this Section shall be required to furnish
26 more than one policy of insurance if the policy furnished
27 insures it against the foregoing losses at all locations served
28 by it.

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

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

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