



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/05/04, by Raymond Poe

SYNOPSIS AS INTRODUCED:

625 ILCS 5/7-317

from Ch. 95 1/2, par. 7-317

Amends the Illinois Vehicle Code. Provides that a motor vehicle owner must carry at least \$5,000 of liability coverage for environmental restoration.

LRB093 16627 DRH 42277 b

1 AN ACT concerning vehicles.

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 7-317 as follows:

6 (625 ILCS 5/7-317) (from Ch. 95 1/2, par. 7-317)

7 Sec. 7-317. "Motor vehicle liability policy" defined.

8 (a) Certification. -A "motor vehicle liability policy", as
9 that term is used in this Act, means an "owner's policy" or an
10 "operator's policy" of liability insurance, certified as
11 provided in Section 7-315 or Section 7-316 as proof of
12 financial responsibility for the future, and issued, except as
13 otherwise provided in Section 7-316, by an insurance carrier
14 duly authorized to transact business in this State, to or for
15 the benefit of the person named therein as insured.

16 (a-1) Environmental restoration. As used in this Section,
17 "environmental restoration" means restitution for the loss,
18 damage, or destruction arising out of the accidental discharge,
19 dispersal, release, or escape into the land, atmosphere,
20 watercourse, or body of water of any commodity transported by a
21 motor vehicle, including the cost of removal and the cost of
22 necessary measures taken to minimize or mitigate damage to
23 human health, the natural environment, fish, shellfish, and
24 wildlife.

25 (b) Owner's Policy. --Such owner's policy of liability
26 insurance:

27 1. Shall designate by explicit description or by
28 appropriate reference, all motor vehicles with respect to which
29 coverage is thereby intended to be granted;

30 2. Shall insure the person named therein and any other
31 person using or responsible for the use of such motor vehicle
32 or vehicles with the express or implied permission of the

1 insured;

2 3. Shall insure every named insured and any other person
3 using or responsible for the use of any motor vehicle owned by
4 the named insured and used by such other person with the
5 express or implied permission of the named insured on account
6 of the maintenance, use or operation of any motor vehicle owned
7 by the named insured, within the continental limits of the
8 United States or the Dominion of Canada against loss from
9 liability imposed by law arising from such maintenance, use or
10 operation, to the extent and aggregate amount, exclusive of
11 interest and cost, with respect to each motor vehicle, of
12 \$20,000 for bodily injury to or death of one person as a result
13 of any one accident and, subject to such limit as to one
14 person, the amount of \$40,000 for bodily injury to or death of
15 all persons as a result of any one accident and the amount of
16 \$15,000 for damage to property of others as a result of any one
17 accident, and the amount of \$5,000 for environmental
18 restoration as a result of one accident.

19 (c) Operator's Policy. --When an operator's policy is
20 required, it shall insure the person named therein as insured
21 against the liability imposed by law upon the insured for
22 bodily injury to or death of any person or damage to property
23 to the amounts and limits above set forth and growing out of
24 the use or operation by the insured within the continental
25 limits of the United States or the Dominion of Canada of any
26 motor vehicle not owned by him.

27 (d) Required Statements in Policies. --Every motor vehicle
28 liability policy must specify the name and address of the
29 insured, the coverage afforded by the policy, the premium
30 charged therefor, the policy period, and the limits of
31 liability, and shall contain an agreement that the insurance
32 thereunder is provided in accordance with the coverage defined
33 in this Act, as respects bodily injury and death, ~~or~~ or property
34 damage, and environmental restoration ~~or both~~, and is subject
35 to all the provisions of this Act.

36 (e) Policy Need Not Insure Workers' Compensation. --Any

1 liability policy or policies issued hereunder need not cover
2 any liability of the insured assumed by or imposed upon the
3 insured under any workers' compensation law nor any liability
4 for damage to property in charge of the insured or the
5 insured's employees.

6 (f) Provisions Incorporated in Policy. --Every motor
7 vehicle liability policy is subject to the following provisions
8 which need not be contained therein:

9 1. The liability of the insurance carrier under any such
10 policy shall become absolute whenever loss or damage covered by
11 the policy occurs and the satisfaction by the insured of a
12 final judgment for such loss or damage shall not be a condition
13 precedent to the right or obligation of the carrier to make
14 payment on account of such loss or damage.

15 2. No such policy may be cancelled or annulled as respects
16 any loss or damage, by any agreement between the carrier and
17 the insured after the insured has become responsible for such
18 loss or damage, and any such cancellation or annulment shall be
19 void.

20 3. The insurance carrier shall, however, have the right to
21 settle any claim covered by the policy, and if such settlement
22 is made in good faith, the amount thereof shall be deductible
23 from the limits of liability specified in the policy.

24 4. The policy, the written application therefor, if any,
25 and any rider or endorsement which shall not conflict with the
26 provisions of this Act shall constitute the entire contract
27 between the parties.

28 (g) Excess or Additional Coverage. --Any motor vehicle
29 liability policy may, however, grant any lawful coverage in
30 excess of or in addition to the coverage herein specified or
31 contain any agreements, provisions, or stipulations not in
32 conflict with the provisions of this Act and not otherwise
33 contrary to law.

34 (h) Reimbursement Provision Permitted. --The policy may
35 provide that the insured, or any other person covered by the
36 policy shall reimburse the insurance carrier for payment made

1 on account of any loss or damage claim or suit involving a
2 breach of the terms, provisions or conditions of the policy;
3 and further, if the policy shall provide for limits in excess
4 of the limits specified in this Act, the insurance carrier may
5 plead against any plaintiff, with respect to the amount of such
6 excess limits of liability, any defense which it may be
7 entitled to plead against the insured.

8 (i) Proration of Insurance Permitted. --The policy may
9 provide for the pro-rating of the insurance thereunder with
10 other applicable valid and collectible insurance.

11 (j) Binders. --Any binder pending the issuance of any
12 policy, which binder contains or by reference includes the
13 provisions hereunder shall be sufficient proof of ability to
14 respond in damages.

15 (k) Copy of Policy to Be Filed with Department of
16 Insurance--Approval. --A copy of the form of every motor
17 vehicle liability policy which is to be used to meet the
18 requirements of this Act must be filed, by the company offering
19 such policy, with the Department of Insurance, which shall
20 approve or disapprove the policy within 30 days of its filing.
21 If the Department approves the policy in writing within such 30
22 day period or fails to take action for 30 days, the form of
23 policy shall be deemed approved as filed. If within the 30 days
24 the Department disapproves the form of policy filed upon the
25 ground that it does not comply with the requirements of this
26 Act, the Department shall give written notice of its decision
27 and its reasons therefor to the carrier and the policy shall
28 not be accepted as proof of financial responsibility under this
29 Act.

30 (l) Insurance Carrier Required to File Certificate. --An
31 insurance carrier who has issued a motor vehicle liability
32 policy or policies or an operator's policy meeting the
33 requirements of this Act shall, upon the request of the insured
34 therein, deliver to the insured for filing, or at the request
35 of the insured, shall file direct, with the Secretary of State
36 a certificate, as required by this Act, which shows that such

1 policy or policies have been issued. No insurance carrier may
2 require the payment of any extra fee or surcharge, in addition
3 to the insurance premium, for the execution, delivery or filing
4 of such certificate.

5 (m) Proof When Made By Endorsement. --Any motor vehicle
6 liability policy which by endorsement contains the provisions
7 required hereunder shall be sufficient proof of ability to
8 respond in damages.

9 (Source: P.A. 85-730.)