

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 issued to the vehicle protection product  
27 warrantor to pay on behalf of the warrantor all covered  
28 contractual obligations incurred by the warrantor under the  
29 terms and conditions of the insured vehicle protection  
30 product warranties sold by the warrantor. The warranty  
31 reimbursement insurance policy shall be 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. The vehicle protection products' written  
7 warranties are express warranties and not insurance.

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

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