



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5692

by Rep. John D'Amico

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Vehicle Code. Removes the requirement that applicants for vehicle registration provide insurance information for the vehicle for which registration issuance or renewal is being sought. Removes the provision that submission of false insurance information with a vehicle registration application is a Class C misdemeanor. Repeals the Section requiring remittance agents remitting vehicle registration applications to ask customers for the vehicle's insurance information. Provides that current procedures for insurance verification shall be repealed on December 31, 2015. Creates the Uninsured Motorist Verification Advisory Committee Act. Provides that the Secretary of State shall establish and appoint an Uninsured Motorist Verification Advisory Committee consisting of representatives of the Department of Insurance and the insurance industry for the purpose of designing an electronic motor vehicle liability insurance verification program, including methods of funding, implementing, and operating the program. Provides that this program must: (1) require insurance companies to make relevant insurance information available to the Secretary; (2) provide a means of electronically verifying motor vehicle liability insurance policies; (3) require the Secretary to verify the existence of a liability insurance policy for every motor vehicle registered in Illinois once every 12 months; (4) allow the Secretary to request information from motor vehicle owners whose liability insurance can not be verified; (5) suspend the registration of any motor vehicle owner that fails to respond or whose response shows the motor vehicle is not covered; (6) require insurance companies to assist the Secretary in verifying insurance information submitted in response to an information request; (7) authorize the Secretary to perform additional insurance verifications. Provides that this proposed legislation must not give the Secretary regulatory authority over insurance companies. Requires the Secretary to adopt rules for the electronic motor vehicle liability insurance verification system by January 1, 2016, subject to appropriation. Repeals this Act on July 1, 2016. Effective immediately.

LRB098 18851 MLW 53996 b

1 AN ACT concerning transportation.

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

4 Section 1. Short title. This Act may be referred to as the
5 Uninsured Motorist Verification Advisory Committee Act.

6 Section 5. Uninsured Motorist Verification Advisory
7 Committee.

8 (a) The Secretary shall establish and appoint an Uninsured
9 Motorist Verification Advisory Committee consisting of
10 representatives of the Department of Insurance, insurance
11 companies authorized to sell motor vehicle liability insurance
12 policies in this State, insurance producers, and other
13 interested parties as designated by the Secretary, to assist in
14 the design and implementation of a program for the electronic
15 verification of motor vehicle liability insurance for motor
16 vehicles that are subject to Section 7-601 of the Illinois
17 Vehicle Code.

18 (b) The Uninsured Motorist Verification Advisory Committee
19 shall report to the General Assembly, on or before January 31,
20 2015, with recommendations for the design and funding of a
21 program for the electronic verification of motor vehicle
22 liability insurance policies issued and in effect in the State
23 and legislation to implement the program that includes at a

1 minimum the elements in subsection (d) of this Section.

2 (c) Based on the recommendations of the Uninsured Motorist
3 Verification Advisory Committee, the Secretary shall adopt
4 rules to implement a program for the electronic verification of
5 motor vehicle liability insurance by January 1, 2016 if and
6 only if appropriations are made funding the electronic
7 verification database as recommended by the Uninsured Motorist
8 Advisory Committee.

9 (d) The electronic motor vehicle liability insurance
10 verification program shall have the following elements:

11 (1) a requirement that insurance companies authorized
12 to sell motor vehicle liability insurance in the State make
13 available, in a format designated by the Secretary, the
14 following information for each motor vehicle liability
15 insurance policy issued by the company:

16 (A) the name of policy holder;

17 (B) the make, model, year and vehicle
18 identification number of the covered vehicle;

19 (C) the policy number;

20 (D) the effective date of the policy; and

21 (E) the company's National Association of
22 Insurance Commissioners number;

23 (2) a method of searching for motor vehicle liability
24 insurance policies issued and in effect in the State by the
25 keys indicated in paragraph (1) of this subsection;

26 (3) a requirement that the Secretary verify the

1 existence of a liability insurance policy as required by
2 Section 7-601 of the Illinois Vehicle Code for every motor
3 vehicle registered in the Secretary's office at least once
4 every 12 months;

5 (4) a provision that if the Secretary is unable to
6 verify the existence of a liability insurance policy, then
7 the vehicle owner shall be sent a written notice giving the
8 owner 30 calendar days to provide evidence that the vehicle
9 was insured on the date of the attempted verification of
10 insurance, or evidence that the vehicle is no longer
11 operable;

12 (5) a provision that any vehicle owner who fails to
13 respond, or whose response indicates that his or her
14 operable vehicle was not covered by a liability insurance
15 policy in accordance with Section 7-601 of the Illinois
16 Vehicle Code, shall be deemed to have registered or
17 maintained registration of a motor vehicle in violation of
18 that Section, and the Secretary shall suspend the
19 registration of the vehicle; the vehicle owner shall be
20 required to pay a reinstatement fee of \$100 and provide
21 proof of current insurance before the registration may be
22 reinstated under Section 7-606 of the Illinois Vehicle
23 Code; and

24 (6) a provision that if the owner responds to the
25 request for information by asserting that his or her
26 vehicle was covered by a liability insurance policy on the

1 date of verification stated in the Secretary's request,
2 then the Secretary may conduct a verification of the
3 response by furnishing the necessary information to the
4 insurer named in the response; the insurer shall within 7
5 calendar days inform the Secretary whether or not on the
6 date of verification the motor vehicle was insured by the
7 insurer in accordance with Section 7-601 of the Illinois
8 Vehicle Code; if the insurer does not confirm insurance was
9 in effect on the verification date, then the Secretary
10 shall suspend the owner's registration of the vehicle; the
11 vehicle owner shall be required to pay a reinstatement fee
12 of \$100 and provide proof of current insurance before the
13 registration may be reinstated under Section 7-606 of the
14 Illinois Vehicle Code.

15 (e) In addition to the annual verification of liability
16 insurance the Secretary may select for verification other
17 vehicles, including, but not limited to, motor vehicles owned
18 or registered by persons:

19 (1) whose motor vehicle registrations during the
20 preceding 4 years have been suspended under Section 7-606
21 or 7-607 of the Illinois Vehicle Code;

22 (2) who during the preceding 4 years have been
23 convicted of violating Section 3-707, 3-708, or 3-710 of
24 the Illinois Vehicle Code while operating vehicles owned by
25 other persons;

26 (3) whose driving privileges have been suspended

1 during the preceding 4 years;

2 (4) who during the preceding 4 years acquired ownership
3 of motor vehicles while the registrations of those vehicles
4 under the previous owners were suspended under Section
5 7-606 or 7-607 of the Illinois Vehicle Code; or

6 (5) who during the preceding 4 years have received a
7 disposition of supervision under subsection (c) of Section
8 5-6-1 of the Unified Code of Corrections for a violation of
9 Section 3-707, 3-708, or 3-710 of the Illinois Vehicle
10 Code.

11 (f) The Secretary shall not have regulatory authority over
12 insurance companies. Regulatory authority over insurance
13 companies shall remain with the Department of Insurance.

14 Section 10. Expiration. This Act is repealed on July 1,
15 2016.

16 Section 900. The Illinois Vehicle Code is amended by
17 changing Sections 3-405, 3-415, and 7-604 as follows:

18 (625 ILCS 5/3-405) (from Ch. 95 1/2, par. 3-405)

19 Sec. 3-405. Application for registration.

20 (a) Every owner of a vehicle subject to registration under
21 this Code shall make application to the Secretary of State for
22 the registration of such vehicle upon the appropriate form or
23 forms furnished by the Secretary. Every such application shall

1 bear the signature of the owner written with pen and ink and
2 contain:

3 1. The name, domicile address, as defined in Section
4 1-115.5 of this Code, (except as otherwise provided in this
5 paragraph 1) and mail address of the owner or business
6 address of the owner if a firm, association or corporation.
7 If the mailing address is a post office box number, the
8 address listed on the driver license record may be used to
9 verify residence. A police officer, a deputy sheriff, an
10 elected sheriff, a law enforcement officer for the
11 Department of State Police, a fire investigator, a state's
12 attorney, an assistant state's attorney, a state's
13 attorney special investigator, or a judicial officer may
14 elect to furnish the address of the headquarters of the
15 governmental entity, police district, or business address
16 where he or she works instead of his or her domicile
17 address, in which case that address shall be deemed to be
18 his or her domicile address for all purposes under this
19 Chapter 3. The spouse and children of a person who may
20 elect under this paragraph 1 to furnish the address of the
21 headquarters of the government entity, police district, or
22 business address where the person works instead of the
23 person's domicile address may, if they reside with that
24 person, also elect to furnish the address of the
25 headquarters of the government entity, police district, or
26 business address where the person works as their domicile

1 address, in which case that address shall be deemed to be
2 their domicile address for all purposes under this Chapter
3 3. In this paragraph 1: (A) "police officer" has the
4 meaning ascribed to "policeman" in Section 10-3-1 of the
5 Illinois Municipal Code; (B) "deputy sheriff" means a
6 deputy sheriff appointed under Section 3-6008 of the
7 Counties Code; (C) "elected sheriff" means a sheriff
8 commissioned pursuant to Section 3-6001 of the Counties
9 Code; (D) "fire investigator" means a person classified as
10 a peace officer under the Peace Officer Fire Investigation
11 Act; (E) "state's attorney", "assistant state's attorney",
12 and "state's attorney special investigator" mean a state's
13 attorney, assistant state's attorney, and state's attorney
14 special investigator commissioned or appointed under
15 Division 3-9 of the Counties Code; and (F) "judicial
16 officer" has the meaning ascribed to it in Section 1-10 of
17 the Judicial Privacy Act.

18 2. A description of the vehicle, including such
19 information as is required in an application for a
20 certificate of title, determined under such standard
21 rating as may be prescribed by the Secretary.

22 3. (Blank). ~~Information relating to the insurance~~
23 ~~policy for the motor vehicle, including the name of the~~
24 ~~insurer which issued the policy, the policy number, and the~~
25 ~~expiration date of the policy. Beginning with the 2016~~
26 ~~registration year, registration shall not be issued to~~

1 ~~persons that submit an application that does not contain~~
2 ~~this information.~~

3 4. Such further information as may reasonably be
4 required by the Secretary to enable him to determine
5 whether the vehicle is lawfully entitled to registration
6 and the owner entitled to a certificate of title.

7 5. An affirmation by the applicant that all information
8 set forth is true and correct. If the application is for
9 the registration of a motor vehicle, the applicant also
10 shall affirm that the motor vehicle is insured as required
11 by this Code, that such insurance will be maintained
12 throughout the period for which the motor vehicle shall be
13 registered, and that neither the owner, nor any person
14 operating the motor vehicle with the owner's permission,
15 shall operate the motor vehicle unless the required
16 insurance is in effect. If the person signing the
17 affirmation is not the sole owner of the vehicle, such
18 person shall be deemed to have affirmed on behalf of all
19 the owners of the vehicle. If the person signing the
20 affirmation is not an owner of the vehicle, such person
21 shall be deemed to have affirmed on behalf of the owner or
22 owners of the vehicle. The lack of signature on the
23 application shall not in any manner exempt the owner or
24 owners from any provisions, requirements or penalties of
25 this Code. ~~Beginning with the 2016 registration year, any~~
26 ~~person that knowingly submits false insurance information~~

1 ~~shall be guilty of a Class C misdemeanor.~~

2 (b) When such application refers to a new vehicle purchased
3 from a dealer the application shall be accompanied by a
4 Manufacturer's Statement of Origin from the dealer, and a
5 statement showing any lien retained by the dealer.

6 (Source: P.A. 97-847, eff. 1-1-13; 98-539, eff. 1-1-14.)

7 (625 ILCS 5/3-415) (from Ch. 95 1/2, par. 3-415)

8 Sec. 3-415. Application for and renewal of registration.

9 (a) Calendar year. Application for renewal of a vehicle
10 registration shall be made by the owner, as to those vehicles
11 required to be registered on a calendar registration year, not
12 later than December 1 of each year, upon proper application and
13 by payment of the registration fee and tax for such vehicle, as
14 provided by law except that application for renewal of a
15 vehicle registration, as to those vehicles required to be
16 registered on a staggered calendar year basis, shall be made by
17 the owner in the form and manner prescribed by the Secretary of
18 State.

19 (b) Fiscal year. Application for renewal of a vehicle
20 registration shall be made by the owner, as to those vehicles
21 required to be registered on a fiscal registration year, not
22 later than June 1 of each year, upon proper application and by
23 payment of the registration fee and tax for such vehicle as
24 provided by law, except that application for renewal of a
25 vehicle registration, as to those vehicles required to be

1 registered on a staggered fiscal year basis, shall be made by
2 the owner in the form and manner prescribed by the Secretary of
3 State.

4 (c) Two calendar years. Application for renewal of a
5 vehicle registration shall be made by the owner, as to those
6 vehicles required to be registered for 2 calendar years, not
7 later than December 1 of the year preceding commencement of the
8 2-year registration period, except that application for
9 renewal of a vehicle registration, as to those vehicles
10 required to be registered for 2 years on a staggered
11 registration basis, shall be made by the owner in the form and
12 manner prescribed by the Secretary of State.

13 (d) Two fiscal years. Application for renewal of a vehicle
14 registration shall be made by the owner, as to those vehicles
15 required to be registered for 2 fiscal years, not later than
16 June 1 immediately preceding commencement of the 2-year
17 registration period, except that application for renewal of a
18 vehicle registration, as to those vehicles required to be
19 registered for 2 fiscal years on a staggered registration
20 basis, shall be made by the owner in the form and manner
21 prescribed by the Secretary of State.

22 (d-5) Three calendar years. Application for renewal of a
23 vehicle registration shall be made by the owner, as to those
24 vehicles required to be registered for 3 calendar years, not
25 later than December 1 of the year preceding commencement of the
26 3-year registration period.

1 (e) Time of application. The Secretary of State may receive
2 applications for renewal of registration and grant the same and
3 issue new registration cards and plates or registration
4 stickers at any time prior to expiration of registration. No
5 person shall display upon a vehicle, the new registration
6 plates or registration stickers prior to the dates the
7 Secretary of State in his discretion may select.

8 (f) Verification. The Secretary of State may further
9 require, as to vehicles for-hire, that applications be
10 accompanied by verification that fees due under the Illinois
11 Motor Carrier of Property Law, as amended, have been paid.

12 (g) (Blank). ~~Applications for registration renewal shall~~
13 ~~include information relating to the insurance policy for the~~
14 ~~motor vehicle, including the name of the insurer that issued~~
15 ~~the policy, the policy number, and the expiration date of the~~
16 ~~policy. Registration shall not be renewed for persons that~~
17 ~~submit an application that does not contain this information.~~
18 ~~Any person that knowingly submits false insurance information~~
19 ~~shall be guilty of a Class C misdemeanor.~~

20 ~~The changes to this subsection made by this amendatory Act~~
21 ~~of the 98th General Assembly shall not take effect until the~~
22 ~~beginning of the 2016 registration year.~~

23 (Source: P.A. 98-539, eff. 1-1-14.)

24 (625 ILCS 5/7-604) (from Ch. 95 1/2, par. 7-604)

25 Sec. 7-604. Verification of liability insurance policy.

1 (a) The Secretary of State may select random samples of
2 registrations of motor vehicles subject to Section 7-601 of
3 this Code, or owners thereof, for the purpose of verifying
4 whether or not the motor vehicles are insured.

5 In addition to such general random samples of motor vehicle
6 registrations, the Secretary may select for verification other
7 random samples, including, but not limited to registrations of
8 motor vehicles owned by persons:

9 (1) whose motor vehicle registrations during the
10 preceding 4 years have been suspended pursuant to Section
11 7-606 or 7-607 of this Code;

12 (2) who during the preceding 4 years have been
13 convicted of violating Section 3-707, 3-708 or 3-710 of
14 this Code while operating vehicles owned by other persons;

15 (3) whose driving privileges have been suspended
16 during the preceding 4 years;

17 (4) who during the preceding 4 years acquired ownership
18 of motor vehicles while the registrations of such vehicles
19 under the previous owners were suspended pursuant to
20 Section 7-606 or 7-607 of this Code; or

21 (5) who during the preceding 4 years have received a
22 disposition of supervision under subsection (c) of Section
23 5-6-1 of the Unified Code of Corrections for a violation of
24 Section 3-707, 3-708, or 3-710 of this Code.

25 (b) Upon receiving certification from the Department of
26 Transportation under Section 7-201.2 of this Code of the name

1 of an owner or operator of any motor vehicle involved in an
2 accident, the Secretary may verify whether or not at the time
3 of the accident such motor vehicle was covered by a liability
4 insurance policy in accordance with Section 7-601 of this Code.

5 (c) In preparation for selection of random samples and
6 their verification, the Secretary may send to owners of
7 randomly selected motor vehicles, or to randomly selected motor
8 vehicle owners, requests for information about their motor
9 vehicles and liability insurance coverage. The request shall
10 require the owner to state whether or not the motor vehicle was
11 insured on the verification date stated in the Secretary's
12 request and the request may require, but is not limited to, a
13 statement by the owner of the names and addresses of insurers,
14 policy numbers, and expiration dates of insurance coverage.

15 (d) Within 30 days after the Secretary mails a request, the
16 owner to whom it is sent shall furnish the requested
17 information to the Secretary above the owner's signed
18 affirmation that such information is true and correct. Proof of
19 insurance in effect on the verification date, as prescribed by
20 the Secretary, may be considered by the Secretary to be a
21 satisfactory response to the request for information.

22 Any owner whose response indicates that his or her vehicle
23 was not covered by a liability insurance policy in accordance
24 with Section 7-601 of this Code shall be deemed to have
25 registered or maintained registration of a motor vehicle in
26 violation of that Section. Any owner who fails to respond to

1 such a request shall be deemed to have registered or maintained
2 registration of a motor vehicle in violation of Section 7-601
3 of this Code.

4 (e) If the owner responds to the request for information by
5 asserting that his or her vehicle was covered by a liability
6 insurance policy on the verification date stated in the
7 Secretary's request, the Secretary may conduct a verification
8 of the response by furnishing necessary information to the
9 insurer named in the response. The insurer shall within 45 days
10 inform the Secretary whether or not on the verification date
11 stated the motor vehicle was insured by the insurer in
12 accordance with Section 7-601 of this Code. The Secretary may
13 by rule and regulation prescribe the procedures for
14 verification.

15 (f) No random sample selected under this Section shall be
16 categorized on the basis of race, color, religion, sex,
17 national origin, ancestry, age, marital status, physical or
18 mental disability, economic status or geography.

19 (g) This Section is repealed on December 31, 2015.

20 (Source: P.A. 92-458, eff. 8-22-01.)

21 (625 ILCS 5/3-918 rep.)

22 Section 905. The Illinois Vehicle Code is amended by
23 repealing Section 3-918.

24 Section 999. Effective date. This Act takes effect upon
25 becoming law.

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2

Statutes amended in order of appearance

3

New Act

4

625 ILCS 5/3-405

from Ch. 95 1/2, par. 3-405

5

625 ILCS 5/3-415

from Ch. 95 1/2, par. 3-415

6

625 ILCS 5/7-604

from Ch. 95 1/2, par. 7-604

7

625 ILCS 5/3-918 rep.