

SENATE BILL NO. 223

BY SENATOR MICHOT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To amend and reenact R.S. 22:681 and R.S. 32:861(B)(2), (C)(1)(a) and (b), and 900(B)(2)(a), (b) and (c), relative to motor vehicle insurance; to provide for compulsory motor vehicle liability insurance limits; to provide for security and proof of financial responsibility; to increase the amount of insurance or security required; to increase the amount of deposit required in lieu of liability bond or policy; to provide insurance coverage for rental motor vehicles; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:681 is hereby amended and reenacted to read as follows:

§681. Coverage of temporary, substitute, and rental vehicles

Every approved insurance company, reciprocal or exchange, writing automobile liability, physical damage, or collision insurance, shall extend to temporary substitute motor vehicles as defined in the applicable insurance policy and rental ~~private passenger automobiles~~ **motor vehicles** any and all such insurance coverage in effect in the original policy or policies. Where an insured has coverage on multiple vehicles, at least one of which has comprehensive and collision insurance coverage, that comprehensive and collision substitute coverage shall apply to the temporary substitute motor vehicle or rental motor vehicle. Such insurance shall be primary. However, if other automobile insurance coverage is purchased by the insured for the temporary substitute or rental motor vehicle, that coverage shall become primary. The coverage purchased by the insured shall not be considered a collateral source.

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Section 2. R.S. 32:861(B)(2), (C)(1)(a) and (b), 900(B)(2)(a), (b) and (c) are hereby amended and reenacted to read as follows:

§861. Security required

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B. "Motor vehicle liability bond" means a bond conditioned:

* * *

(2) To the amount or limit of:

(a) Not less than ~~ten~~ **twenty-five** thousand dollars for damages to the property of others, and

(b) ~~Of not~~ **Not** less than ~~ten~~ **twenty-five** thousand dollars on account of injury to or death of any one person, and

(c) Subject to such limits as respects injury to or death of one person, of not less than ~~twenty~~ **fifty** thousand dollars on account of any one accident resulting in injury to or death of more than one person.

C.(1)(a) The applicant for registration may, in lieu of procuring a motor vehicle liability bond or policy, deposit with the state treasurer cash in the amount of ~~thirty~~ **seventy-five** thousand dollars, or otherwise pledge, assign, or securitize, to the satisfaction of the state treasurer on such forms and documents as he shall require, which shall constitute a lien thereon in favor of the treasurer for the liabilities set forth in this Section and authorize him to sell same pursuant to Subparagraph (c) of this Paragraph, bonds, stocks, securities, or other evidences of indebtedness satisfactory to said treasurer of a market value of not less than ~~thirty~~ **seventy-five** thousand dollars as security for the payment by such applicant or by any person responsible for the operation of such applicant's motor vehicle with his express or implied consent of all judgments rendered against such applicant or against such person in actions to recover damages to property or for bodily injuries, including death at any time resulting therefrom, and judgments rendered as aforesaid for consequential damages consisting of expenses incurred by a husband, wife, parent, or tutor for medical, nursing, hospital, or surgical services in connection with

1 or on account of such bodily injuries or death sustained during the term of
 2 registration by any person and arising out of the ownership, operation, maintenance,
 3 control, or use upon the highways and roads of the state of such motor vehicle to the
 4 amount or limit of at least ~~ten~~ twenty-five thousand dollars on account of any such
 5 judgment for damages to property or to the amount of ~~ten~~ twenty-five thousand
 6 dollars for bodily injury or death to any one person or to the amount of ~~twenty~~ fifty
 7 thousand dollars for bodily injury or death to more than one person.

8 (b) Upon presentation to the state treasurer by an officer qualified to serve
 9 civil process of an execution issued on any such judgment against the registrant or
 10 other person responsible as aforesaid, the treasurer shall pay, out of the cash
 11 deposited by the registrant as herein provided, the amount of the execution, including
 12 costs and interest, up to but not in excess of ~~ten~~ twenty-five thousand dollars for
 13 damages to property or ~~ten~~ twenty-five thousand dollars to any one person for
 14 damages for bodily injury or death or ~~twenty~~ fifty thousand dollars for bodily injury
 15 or death to more than one person.

16 * * *

17 §900. "Motor Vehicle Liability Policy" defined

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19 B. Such owner's policy of liability insurance:

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21 (2) Shall insure the person named therein and any other person, as insured,
 22 using any such motor vehicle or motor vehicles with the express or implied
 23 permission of such named insured against loss from the liability imposed by law for
 24 damages arising out of the ownership, maintenance, or use of such motor vehicle or
 25 motor vehicles within the United States of America or the Dominion of Canada,
 26 subject to limits exclusive of interest and costs with respect to each such motor
 27 vehicle as follows:

28 (a) ~~Ten~~ Twenty-five thousand dollars because of bodily injury to or death of
 29 one person in any one accident, and,

30 (b) subject to said limit for one person, ~~twenty~~ fifty thousand dollars because

1 of bodily injury to or death of two or more persons in any one accident, and

2 (c) ~~Ten~~ **twenty-five** thousand dollars because of bodily injury to or
3 destruction of property of others in any one accident.

4 * * *

5 Section 3.(A) The provisions of this Act shall become effective on January 1, 2008
6 and shall apply to new policies issued on or after January 1, 2008.

7 (B) The provisions of this Act shall not apply to policies already existing on January
8 1, 2008 until the renewal date of such policies.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____