

2017 Regular Session

SENATE BILL NO. 184

BY SENATOR LUNEAU

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

AUTOMOBILE INSURANCE. Provides for the removal of an offset or credit against uninsured motorist coverage when the carrier is insolvent. (8/1/17)

1 AN ACT

2 To enact R.S. 22:2062(A)(2)(c), relative to the Louisiana Insurance Guaranty Association;
3 to provide with respect to the exhaustion of other coverage; to provide for the
4 exclusion of a credit against uninsured and underinsured motorist policies upon the
5 insolvency of the insurer; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:2062(A)(2)(c) is hereby enacted to read as follows:

8 §2062. Exhaustion of other coverage

9 A. * * *

10 (2) Any amount payable on a covered claim under this Part shall be reduced
11 by the full applicable limits stated in the other insurance policy, or by the amount of
12 the recovery under the other insurance policy as provided herein. The association and
13 the insured shall receive a full credit for the stated limits, unless the claimant
14 demonstrates that the claimant used reasonable efforts to exhaust all coverage and
15 limits applicable under the other insurance policy. If the claimant demonstrates that
16 the claimant used reasonable efforts to exhaust all coverage and limits applicable
17 under the other insurance policy, or if there are no applicable stated limits under the

1 policy, the association and the insured shall receive a full credit for the total
2 recovery.

3 * * *

4 **(c) The provisions of this Paragraph shall not apply to uninsured or**
5 **underinsured motorist policies.**

6 * * *

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Cheryl Cooper.

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Present law requires any amount payable on a covered claim by the Louisiana Insurance Guaranty Association to be reduced by the full applicable limits stated in the other insurance policy, or by the amount of the recovery under the other insurance policy as provided in present law. Requires the association and the insured to receive a full credit for the total recovery.

Proposed law excludes uninsured and underinsured motorists policies from the full credit requirement for the total recovery.

Effective August 1, 2017.

(Adds R.S. 22:2062(A)(2)(c))