

2022 Regular Session

SENATE BILL NO. 117

BY SENATOR LUNEAU

INSURANCE POLICIES. Requires insurers provide coverage for the temporary use of a motor vehicle not owned by the insured. (8/1/22)

1 AN ACT

2 To amend and reenact R.S. 22:1296(A), relative to insurers providing coverage for the  
3 temporary use of a motor vehicle not owned by an insured; to provide terms and  
4 conditions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1296(A) is hereby amended and reenacted to read as follows:

7 §1296. Coverage of temporary, substitute, and rental vehicles

8 A. ~~Every approved insurance company reciprocal or exchange,~~ **An insurer**  
9 writing automobile liability, physical damage, or collision insurance, shall extend  
10 **coverage to a temporary substitute motor vehicle as that shall be defined**  
11 **in the applicable insurance policy that is no more restrictive than the motor**  
12 **vehicle as a privately owned motor vehicle that is not owned by or furnished or**  
13 **available for the regular use by the insured while the motor vehicle is in the**  
14 **custody of or being operated by the insured and to a rental motor vehicle**  
15 any and all such insurance coverage in effect in the original policy or policies. Where  
16 an insured has coverage on a single or multiple vehicles, at least one of which has  
17 comprehensive and collision or liability insurance coverage, those coverages shall

1 apply to the temporary substitute motor vehicle, as defined in the applicable  
 2 insurance policy, or rental motor vehicle. Such insurance shall be primary. However,  
 3 if other automobile insurance coverage or financial responsibility protection is  
 4 purchased by the insured for the temporary substitute or rental motor vehicle, that  
 5 coverage shall become primary. The coverage purchased by the insured shall not be  
 6 considered a collateral source.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Beth O'Quin.

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	DIGEST	
SB 117 Original	2022 Regular Session	Luneau

Present law requires insurers writing automobile liability insurance, physical damage insurance or collision insurance is required to extend coverage for an insured's temporary use of a motor vehicle as defined in the applicable insurance policy and to rental vehicles any and all coverage in effect in the insured's original policy or policies. If an insured has coverage on a single or multiple vehicles, at least one must have comprehensive, collision, or liability insurance coverage, and the coverages shall apply to the temporary substitute vehicle, as defined in the applicable insurance policy, or rental motor vehicle. Requires insurance is primary, except if other automobile insurance coverage or financial responsibility protection is purchased by the insured for the temporary substitute or rental motor vehicle, then that coverage is primary. Further, the coverage purchased by the insured is not considered a collateral source.

Proposed law retains present law but requires an insurer to define temporary use of a motor vehicle is no more restrictive than the motor vehicle is a privately owned motor vehicle that is not owned by, furnished, or available for regular use by the insured while in the custody of or being operated by the insured.

Effective on August 1, 2022.

(Amends R.S. 22:1296(A))