

2024 Regular Session

SENATE BILL NO. 499

BY SENATOR REESE

INSURANCE POLICIES. Provides for uninsured and underinsured motorist insurance.
(8/1/24)

1 AN ACT

2 To amend and reenact R.S. 22:1295(1)(a) and (e), (4), and (5) and the introductory
3 paragraph of 1296(B) and to repeal R.S. 22:1295(1)(d) and 1296(B)(4), relative to
4 uninsured motorist coverage; to provide for uninsured motorist coverage; to repeal
5 a selection form; to repeal a certain coverage; to repeal an exception; to make
6 technical changes; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1295(1)(a) and (e), (4), and (5) and the introductory paragraph of
9 1296(B) are hereby amended and reenacted to read as follows:

10 §1295. Uninsured motorist coverage

11 The following provisions shall govern the issuance of uninsured motorist
12 coverage in this state:

13 (1)(a)(i) ~~No automobile liability insurance covering liability arising out of the~~
14 ~~ownership, maintenance, or use of any motor vehicle shall be delivered or issued for~~
15 ~~delivery in this state with respect to any motor vehicle designed for use on public~~
16 ~~highways and required to be registered in this state or as provided in this Section~~
17 ~~unless coverage is provided therein or supplemental thereto, in not less than the~~

1 limits of bodily injury liability provided by the policy, under provisions filed with
2 and approved by the commissioner of insurance, for the protection of persons insured
3 thereunder who are legally entitled to recover nonpunitive damages from owners or
4 operators of uninsured or underinsured motor vehicles because of bodily injury,
5 sickness, or disease, including death resulting therefrom; however, the coverage
6 required under this Section is not applicable when any insured named in the policy
7 either rejects coverage, selects lower limits, or selects economic-only coverage, in
8 the manner provided in Item (1)(a)(ii) of this Section. In **Uninsured or**
9 **underinsured motorist coverage provides protection for persons who are legally**
10 **entitled to recover nonpunitive damages from owners or operators of uninsured**
11 **or underinsured motor vehicles because of bodily injury, sickness, or disease or**
12 **death resulting from the accident. The coverage, if elected, shall in** no event shall
13 the policy limits of an uninsured motorist policy be less than the minimum liability
14 limits required under R.S. 32:900, unless **the insured chose an** economic-only
15 **uninsured motorist** coverage, is selected as authorized in this Section. Such
16 coverage need not be provided in or supplemental to a renewal, reinstatement, or
17 substitute policy when the named insured has rejected the coverage or selected lower
18 limits in connection with a policy previously issued to him by the same insurer or
19 any of its affiliates. The coverage provided **under in accordance with** this Section
20 may exclude coverage for punitive or exemplary damages by the terms of the policy
21 or contract. Insurers may also make available, at a reduced premium, the coverage
22 provided under this Section with an exclusion for all noneconomic loss. This
23 coverage shall be known as "economic-only" uninsured motorist coverage.
24 Noneconomic loss means any loss other than economic loss and includes but is not
25 limited to pain, suffering, inconvenience, mental anguish, and other noneconomic
26 damages otherwise recoverable under the laws of this state.

27 (ii) ~~Such rejection, selection of lower limits, or selection of economic-only~~
28 ~~coverage shall be made only on a form prescribed by the commissioner of insurance.~~
29 ~~The prescribed form shall be provided by the insurer and signed by the named~~

1 insured or his legal representative. The form signed by the named insured or his legal
2 representative which initially rejects such coverage, selects lower limits, or selects
3 economic-only coverage shall be conclusively presumed to become a part of the
4 policy or contract when issued and delivered, irrespective of whether physically
5 attached thereto. A properly completed and signed form creates a rebuttable
6 presumption that the insured knowingly rejected coverage, selected a lower limit, or
7 selected economic-only coverage. The form signed by the insured or his legal
8 representative which initially rejects coverage, selects lower limits, or selects
9 economic-only coverage shall remain valid for the life of the policy and shall not
10 require the completion of a new selection form when a renewal, reinstatement,
11 substitute, or amended policy is issued to the same named insured by the same
12 insurer or any of its affiliates. An insured may change the original uninsured motorist
13 selection or rejection on a policy at any time during the life of the policy by
14 submitting a new uninsured motorist selection form to the insurer on the form
15 prescribed by the commissioner of insurance. Any changes to an existing policy,
16 regardless of whether these changes create new coverage, except changes in the
17 limits of liability, do not create a new policy and do not require the completion of
18 new uninsured motorist selection forms. For the purpose of this Section, a new
19 policy shall mean an original contract of insurance which an insured enters into
20 through the completion of an application on the form required by the insurer.

21 (iii) This Subparagraph and its requirement for uninsured motorist coverage
22 shall apply to any liability insurance covering any accident which occurs in this state
23 and involves a resident of this state.

24 (iv) Notwithstanding any contrary provision of this Section and R.S. 22:1406,
25 an automobile liability policy written to provide coverage for a school bus may limit
26 the scope of uninsured motorist liability to only provide liability coverage for
27 damages incurred by reason of an accident or incident involving the school bus, or
28 a temporary substitute vehicle, and such limitation shall limit the uninsured motorist
29 coverage of a named insured in the policy to only damages incurred by reason of

1 ~~such accident or incident.~~

2 * * *

3 (e) The uninsured motorist coverage does not apply to bodily injury, sickness,
4 or disease, including the resulting death of an insured, while occupying a motor
5 vehicle owned by the insured if ~~such~~ **the** motor vehicle is not described in the policy
6 under which a claim is made, or is not a newly acquired or replacement motor
7 vehicle covered under the terms of the policy. This provision shall not apply to
8 uninsured motorist coverage provided in a policy that does not describe specific
9 motor vehicles.

10 * * *

11 (4) In the event of payment to any person under the coverage ~~required by this~~
12 ~~Section~~ and subject to the terms and conditions of ~~such~~ **the** coverage, the insurer
13 making ~~such~~ **the** payment shall, to the extent thereof, be entitled to the proceeds of
14 any settlement or judgment resulting from the exercise of any rights of recovery of
15 ~~such~~ **the** person against any person or organization legally responsible for the bodily
16 injury for which ~~such~~ **the** payment is made, including the proceeds recoverable from
17 the assets of the insolvent insurer.

18 (5) The coverage ~~required under this Section~~ may include provisions for the
19 submission of claims by the assured **insured** to ~~arbitration;~~ **arbitration.** ~~however,~~
20 ~~the~~ **The** submission to arbitration shall be optional with the ~~insured;~~ **insured and**
21 shall not deprive the insured of his right to bring action against the insurer to recover
22 any sums due him under the terms of the policy, and shall not purport to deprive the
23 courts of this state of jurisdiction of actions against the insurer **pursuant to R.S.**
24 **22:868.**

25 * * *

26 §1296. Coverage of temporary, substitute, and rental vehicles

27 * * *

28 B. A rental company, as defined in R.S. 22:1762(5), shall maintain security
29 on all rental vehicles meeting the requirements of the Motor Vehicle Safety

1 Responsibility Law, R.S. 32:851 et seq., as follows:

2 * * *

3 Section 2. R.S. 22:1295(1)(d) and 1294(B)(4) are hereby repealed.

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

DIGEST

SB 499 Engrossed

2024 Regular Session

Reese

Present law requires an insurer to automatically provide uninsured motorist liability coverage unless the insured rejects the coverage.

Proposed law changes uninsured motorist coverage from being automatically provided to a coverage an insured may select if the insurer offers uninsured motorist liability coverage.

Present law requires the commissioner to create a form for uninsured motorist coverage. Present law provides that if the insured or his legal representative does not reject or select uninsured motorist coverage, the named insured is automatically covered for uninsured motorist coverage. Present law removes uninsured motorist requirements when the named insured selects lower limits in connection with a policy previously issued to him.

Proposed law repeals present law.

Present law provides uninsured motorist physical damage coverage.

Proposed law repeals present law.

Present law provides an automobile liability policy written to provide coverage for a school bus may limit the scope of uninsured motorist coverage.

Proposed law repeals present law.

Present law requires insurers to offer uninsured motorist coverage and authorizes the insurer to offer an optional arbitration provision. Present law provides the courts cannot be deprived of their jurisdiction pursuant to present law.

Proposed law retains present law but removes that insurers are required to offer uninsured motorist coverage. Proposed law makes technical changes.

Present law provides a rental company may be exempt from the requirement that they must offer uninsured motorist coverage which is required to be offered under present law.

Proposed law repeals present law.

Effective August 1, 2024.

(Amends R.S. 22:1295(1)(a) and (e), (4), and (5) and 1296(B)(intro para); repeals R.S. 22:1295(1)(d) and 1296(B)(4))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Make technical changes.
2. Change the uninsured motorist requirement from shall to if elected.
3. Remove uninsured motorist requirements when the named insured selects lower limits in connection with a policy previously issued to him.