

2016 Regular Session

SENATE BILL NO. 27

BY SENATOR JOHN SMITH

INSURERS. Provides relative to motor vehicle rental insurers. (8/1/16)

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AN ACT

To amend and reenact R.S. 22:1762, 1763(A), and 1766(A) and (B), relative to motor vehicle rental insurers; to provide with respect to limited licensing; to authorize employees and authorized agents to be licensed under a limited licensee's license when acting for or on behalf of a limited licensee; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1762, 1763(A), and 1766(A) and (B) are hereby amended and reenacted to read as follows:

§1762. Definitions

As used in this Part, the following words are defined as follows:

(1) **"Authorized agent" means an agent or representative authorized by the limited licensee to act individually on behalf, and under the supervision, of the limited licensee to offer or sell insurance in connection with and incidental to the rental of vehicles.**

~~(2)~~ "Commissioner" ~~shall mean~~ **means** the commissioner of insurance.

~~(2)~~~~(3)~~ "Department" ~~shall mean~~ **means** the Department of Insurance.

~~(3)~~~~(4)~~ "Limited licensee" means a person or entity authorized to sell certain

1 coverages relating to the rental of vehicles pursuant to the provisions of this Part.

2 ~~(4)~~ (5) "Rental agreement" means any written agreement setting forth the terms and  
3 conditions governing the use of a vehicle provided by the rental company for rental or lease.

4 ~~(5)~~ (6) "Rental company" means any person or entity in the business of providing  
5 primarily private passenger vehicles to the public under a rental agreement for a period not  
6 to exceed ninety days.

7 ~~(6)~~ (7) "Rental period" means the term of the rental agreement.

8 ~~(7)~~ (8) "Renter" means any person obtaining the use of a vehicle from a rental  
9 company under the terms of a rental agreement for a period not to exceed ninety days.

10 ~~(8)~~ (9) "Vehicle" or "rental vehicle" means a motor vehicle of the private passenger  
11 type including passenger vans, minivans, and sport utility vehicles, and of the cargo type  
12 including but not limited to cargo vans, pickup trucks and trucks with a gross vehicle weight  
13 of less than twenty-six thousand pounds and which do not require the operator to possess a  
14 commercial driver's license.

15 §1763. Limited licensing; fees

16 A. The commissioner may issue to a rental company, whether such rental  
17 company is a foreign or domestic company, that has complied with the requirements  
18 of this Part, a limited license authorizing the limited licensee and its employees **and**  
19 **authorized agents** to offer or sell insurance in connection with the rental of vehicles.  
20 **Each such employee and authorized agent shall be deemed to be licensed under**  
21 **the limited licensee's license when acting for or on behalf of the limited licensee.**

22 \* \* \*

23 §1766. Authorized employees **and agents**

24 A. Any limited license issued under this Part shall also authorize any  
25 **employee employees and any authorized agents** of the limited licensee to act  
26 individually on behalf, and under the supervision, of the limited licensee with respect  
27 to the kinds of coverage specified in this Part.

28 B. Each rental company licensed pursuant to this Part shall conduct a training  
29 program in which employees **and authorized agents** being trained shall receive

1 basic instruction about the kinds of coverage specified in this Part and offered for  
2 purchase by prospective renters of rental vehicles.

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

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## DIGEST

SB 27 Engrossed

2016 Regular Session

John Smith

Present law permits the commissioner to issue to a rental company, whether foreign or domestic, that has complied with the requirements of present law, a limited license authorizing the limited licensee and its employees to offer or sell insurance in connection with the rental of vehicles.

Proposed law retains present law and defines "authorized agent" as an agent or representative authorized by the limited licensee to act individually on behalf, and under the supervision, of the limited licensee to offer or sell insurance in connection with and incidental to the rental of vehicles. Adds authorized agents to those who may offer or sell insurance in connection with vehicle rentals.

Proposed law provides that each such employee and authorized agent shall be deemed to be licensed under the limited licensee's license when acting for or on behalf of the limited licensee.

Present law requires any limited license issued pursuant to present law to authorize any employee of the limited licensee to act individually on behalf, and under the supervision, of the limited licensee with respect to the kinds of coverage specified in present law.

Proposed law retains present law and includes authorized agents with the ability to act individually on behalf, and under the supervision, of the limited licensee.

Effective August 1, 2016.

(Amends R.S. 22:1762, 1763(A) and 1766 (A) and (B))

Summary of Amendments Adopted by SenateCommittee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Defines "authorized agent".
2. Makes technical changes.