

**HOUSE SUMMARY OF SENATE AMENDMENTS**

**HB 756**

**2018 Regular Session**

**Dwight**

INSURERS/GUARANTY ASSNS: Requires exhaustion of all other available coverage

**Synopsis of Senate Amendments**

1. Restores the present law exemption for uninsured or underinsured motorist policies relative to the reduction of an amount payable on a claim.

**Digest of Bill as Finally Passed by Senate**

Present law establishes the La. Insurance Guaranty Association to provide for the payment of covered claims under certain insurance policies to claimants or policyholders due to the insolvency of an insurer, to provide financial assistance to member insurers under rehabilitation or liquidation, and to provide an association to assess the cost of operations among insurers.

Present law requires any person having a claim against an insurer to first exhaust all coverage provided by any other policy other than the person's own uninsured or underinsured motorist policy, including the right to a defense under the other policy, if the claim under the other policy arises from the same facts, injury, or loss that gave rise to the covered claim against the association.

Proposed law repeals the exception for the person's own uninsured or underinsured motorist policy.

Present law requires any amount payable on a covered claim to be reduced by the full applicable limits of the other insurance policy or the amount of the recovery under the other insurance policy and provides that the association and the insured shall receive a full credit for the stated limits, unless the claimant demonstrates that the claimant used reasonable efforts to exhaust all coverage and limits applicable under the other insurance policy.

Present law further provides that, if the claimant used reasonable efforts to exhaust all coverage and limits applicable under the other insurance policy, or if there are no applicable stated limits under the policy, the association and the insured shall receive a full credit for the total recovery.

Proposed law retains present law.

Present law provides that the credit shall be deducted from the lesser of the following:

- (1) The association's covered claim limit.
- (2) The amount of the judgment or settlement of the claim.
- (3) The policy limits of the policy of the insolvent insurer.

Proposed law repeals the option that the credit be deducted from the policy limits of the policy of the insolvent insurer.

Present law provides an exception for uninsured or underinsured motorist policies.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:2062(A)(1) and (2))