

2022 Regular Session

HOUSE BILL NO. 870

BY REPRESENTATIVE LACOMBE

INSURANCE/AUTOMOBILE: Provides for coverage for a temporary substitute motor vehicle

1 AN ACT

2 To amend and reenact R.S. 22:1296(A), relative to insurance coverage for a temporary
3 substitute motor vehicle; to repeal the authority of insurers to define certain terms in
4 automobile insurance policies; to define certain terms; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

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

8 §1296. Coverage of temporary, substitute, and rental vehicles

9 A.(1) Every approved insurance company, reciprocal or exchange, writing
10 automobile liability, physical damage, or collision insurance, shall extend to
11 temporary substitute motor vehicles ~~as defined in the applicable insurance policy~~ and
12 rental motor vehicles any and all such insurance coverage in effect in the original
13 policy or policies. ~~Where~~ If an insured has coverage on a single or multiple vehicles,
14 at least one of which has comprehensive and collision or liability insurance coverage,
15 those coverages shall apply to ~~the~~ a temporary substitute motor vehicle, ~~as defined~~
16 ~~in the applicable insurance policy~~, or rental motor vehicle. Such insurance shall be
17 primary. However, if other automobile insurance coverage or financial responsibility
18 protection is purchased by the insured for the temporary substitute or rental motor
19 vehicle, that coverage shall become primary. The coverage purchased by the insured
20 shall not be considered a collateral source.

1 (2) For the purposes of this Subsection, a "temporary substitute motor
2 vehicle" shall include any motor vehicle not owned by an insured that the insured
3 operates, has, or reasonably believes to have, permission to operate from the owner,
4 and such operation is within the scope of such permission.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 870 Engrossed 2022 Regular Session LaCombe

Abstract: Provides for coverage for a temporary substitute motor vehicle.

Present law provides that every approved insurance company, reciprocal or exchange, writing automobile liability, physical damage, or collision insurance, shall extend to temporary substitute motor vehicles as defined in the applicable insurance policy and rental motor vehicles any and all such insurance coverage in effect in the original policy or policies.

Present law provides that if an insured has coverage on a single or multiple vehicles, at least one of which has comprehensive and collision or liability insurance coverage, those coverages shall apply to the temporary substitute motor vehicle, as defined in the applicable insurance policy, or rental motor vehicle.

Proposed law repeals the authority of insurers to define "temporary substitute motor vehicle" in their automobile insurance policies.

Proposed law provides that a "temporary substitute motor vehicle" shall include any motor vehicle not owned by an insured that the insured operates, has, or reasonably believes to have, permission to operate from the owner, and such operation is within the scope of such permission.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Add to the definition of a temporary substitute motor vehicle a requirement that the operator of the vehicle has, or reasonably believes to have, permission from the owner to operate the vehicle and such operation is within the scope of such permission.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.