
DIGEST

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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.