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## DIGEST

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HB 870 Reengrossed

2022 Regular Session

LaCombe

**Abstract:** Provides for coverage for a motor vehicle not owned by the insured.

Proposed law provides that an approved insurance company, reciprocal or exchange, writing automobile liability, uninsured, underinsured, or medical payments coverage shall not exclude the benefits of such coverage under its policy to an insured operating a vehicle not owned by the insured if all of the following requirements are satisfied:

- (1) The coverage is in full force and effect.
- (2) The insured is operating a vehicle not owned by the insured with the express or implied permission of the vehicle's owner.
- (3) The vehicle not owned by the insured that is being operated by the insured is not provided, furnished, or available to the insured on a regular basis.

Proposed law provides that coverage provided pursuant proposed law shall be secondary to the vehicle owner's insurance policy.

Proposed law provides that if the coverage provided pursuant to proposed law is included within the coverage provided pursuant to present law (R.S. 22:1296), the provisions of present law (R.S. 22:1296) shall determine which coverage is primary.

Proposed law provides that the provisions of proposed law are in direct response to the Louisiana Supreme Court decision in Calvin Landry & Mary Landry v. Progressive Security Insurance Company, et al, Docket Number 2021-C-00621 (January 28, 2022) to declare that it is the intent of the legislature of Louisiana in enacting proposed law to clearly establish that under Louisiana law, automobile insurance liability coverage related to a defendant driver's negligent operation of a vehicle not owned by the insured is covered under the conditions addressed by proposed law .

(Adds R.S. 22:1296.1)

### 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.

The House Floor Amendments to the engrossed bill:

1. Restore present law (R.S. 22:1296(A)).
2. Provide for the application of certain insurance coverages to an insured when operating a vehicle not owned by the insured.
3. Provide requirements for certain coverages to apply to the insured's operation of a vehicle not owned by the insured.
4. Provide for a determination as to which insurance is primary when an insured operates a vehicle not owned by the insured.
5. Provide for the legislative intent for proposed law.