

2024 Regular Session

SENATE BILL NO. 499

BY SENATOR REESE

INSURANCE POLICIES. Provides for uninsured and underinsured motorist insurance.  
(8/1/24)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 22:1295 and R.S. 22:1295(1)(a)  
3 and (e), (4), and (5) and the introductory paragraph of 1296(B) and to enact R.S.  
4 22:1295(7), relative to uninsured motorist coverage; to provide for uninsured  
5 motorist coverage; to provide an exception to uninsured motorist coverage; to make  
6 technical changes; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The introductory paragraph of R.S. 22:1295, and R.S. 22:1295(1)(a) and  
9 (e), (4), and (5) and the introductory paragraph of 1296(B) are hereby amended and  
10 reenacted and R.S. 22:1295(7) is hereby enacted to read as follows:

11 §1295. Uninsured motorist coverage

12 The following provisions shall govern the issuance of uninsured motorist  
13 coverage in this state **except for under commercial automobile insurance policies:**

14 (1)(a)(i) No automobile liability insurance covering liability arising out of the  
15 ownership, maintenance, or use of any motor vehicle shall be delivered or issued for  
16 delivery in this state with respect to any motor vehicle designed for use on public  
17 highways and required to be registered in this state or as provided in this Section

1 unless coverage is provided therein or supplemental thereto, in not less than the  
2 limits of bodily injury liability provided by the policy, under provisions filed with  
3 and approved by the commissioner ~~of insurance~~, for the protection of persons insured  
4 thereunder who are legally entitled to recover nonpunitive damages from owners or  
5 operators of uninsured or underinsured motor vehicles because of bodily injury,  
6 sickness, or disease, including death resulting therefrom; however, the coverage  
7 required under this Section is not applicable when any insured named in the policy  
8 either rejects coverage, selects lower limits, or selects economic-only coverage, in  
9 the manner provided in Item (1)(a)(ii) of this Section.

10 (ii) Such rejection, selection of lower limits, or selection of economic-only  
11 coverage shall be made only on a form prescribed by the commissioner ~~of insurance~~.  
12 The prescribed form shall be provided by the insurer and signed by the named  
13 insured or his legal representative. The form signed by the named insured or his legal  
14 representative which initially rejects ~~such~~ the coverage, selects lower limits, or  
15 selects economic-only coverage shall be conclusively presumed to become a part of  
16 the policy or contract when issued and delivered, irrespective of whether physically  
17 attached thereto. A properly completed and signed form creates a rebuttable  
18 presumption that the insured knowingly rejected coverage, selected a lower limit, or  
19 selected economic-only coverage. **In the event the form is not properly completed**  
20 **and signed so that this rebuttable presumption does not apply then there shall**  
21 **be no coverage or modified coverage, as applicable, if it is determined that the**  
22 **insured or his legal representative intended to reject or modify the uninsured**  
23 **coverage.** The form signed by the insured or his legal representative which initially  
24 rejects coverage, selects lower limits, or selects economic-only coverage shall  
25 remain valid for the life of the policy and shall not require the completion of a new  
26 selection form when a renewal, reinstatement, substitute, or amended policy is issued  
27 to the same named insured by the same insurer or any of its affiliates. An insured  
28 may change the original uninsured motorist selection or rejection on a policy at any  
29 time during the life of the policy by submitting a new uninsured motorist selection

1 form to the insurer on the form prescribed by the commissioner ~~of insurance~~. Any  
 2 changes to an existing policy, regardless of whether these changes create new  
 3 coverage, except changes in the limits of liability, do not create a new policy and do  
 4 not require the completion of new uninsured motorist selection forms. For the  
 5 purpose of this Section, a new policy shall mean an original contract of insurance  
 6 which an insured enters into through the completion of an application on the form  
 7 required by the insurer.

8 (iii) This Subparagraph and its requirement for uninsured motorist coverage  
 9 shall apply to any liability insurance covering any accident which occurs in this state  
 10 and involves a resident of this state.

11 (iv) Notwithstanding any contrary provision of this Section ~~and R.S. 22:1406~~  
 12 ~~[Repealed]~~, an automobile liability policy written to provide coverage for a school  
 13 bus may limit the scope of uninsured motorist liability to only provide liability  
 14 coverage for damages incurred by reason of an accident or incident involving the  
 15 school bus, or a temporary substitute vehicle, and such limitation shall limit the  
 16 uninsured motorist coverage of a named insured in the policy to only damages  
 17 incurred by reason of such accident or incident.

18 \* \* \*

19 (e) The uninsured motorist coverage does not apply to bodily injury, sickness,  
 20 or disease, including the resulting death of an insured, while occupying a motor  
 21 vehicle owned by the insured if ~~such~~ **the** motor vehicle is not described in the policy  
 22 under which a claim is made, or is not a newly acquired or replacement motor  
 23 vehicle covered under the terms of the policy. This provision shall not apply to  
 24 uninsured motorist coverage provided in a policy that does not describe specific  
 25 motor vehicles.

26 \* \* \*

27 (4) In the event of payment to any person under the coverage ~~required by this~~  
 28 ~~Section~~ and subject to the terms and conditions of ~~such~~ **the** coverage, the insurer  
 29 making ~~such~~ **the** payment shall, to the extent thereof, be entitled to the proceeds of

1 any settlement or judgment resulting from the exercise of any rights of recovery of  
 2 ~~such the~~ person against any person or organization legally responsible for the bodily  
 3 injury for which ~~such the~~ payment is made, including the proceeds recoverable from  
 4 the assets of the insolvent insurer.

5 (5) The coverage ~~required under this Section~~ may include provisions for the  
 6 submission of claims by the assured **insured** to ~~arbitration;~~ **arbitration.** ~~however,~~  
 7 ~~the~~ **The** submission to arbitration shall be optional with the ~~insured;~~ **insured and**  
 8 shall not deprive the insured of his right to bring action against the insurer to recover  
 9 any sums due him under the terms of the policy, and shall not purport to deprive the  
 10 courts of this state of jurisdiction of actions against the insurer **pursuant to R.S.**  
 11 **22:868.**

\* \* \*

13 **(7) For commercial automobile insurance policies the insured shall have**  
 14 **the option of selecting uninsured motorist coverage on a form promulgated by**  
 15 **the commissioner. If there is no selection of uninsured motorist coverage on the**  
 16 **form provided to the insured and no payment of premium that includes this**  
 17 **coverage, then it shall be presumed that no uninsured motorist coverage was**  
 18 **selected for that policy or contract and the provisions of this Section shall not**  
 19 **apply.**

\* \* \*

21 §1296. Coverage of temporary, substitute, and rental vehicles

\* \* \*

23 B. A rental company, as defined in R.S. 22:1762(5), shall maintain security  
 24 on all rental vehicles meeting the requirements of the Motor Vehicle Safety  
 25 Responsibility Law, R.S. 32:851 et seq., as follows:

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

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## DIGEST

SB 499 Reengrossed

2024 Regular Session

Reese

Present law requires an insurer to automatically provide uninsured motorist liability coverage unless the insured rejects the coverage.

Proposed law retains present law but excepts commercial automobile insurance from the uninsured motorist requirement.

Present law requires the commissioner to create a form for uninsured motorist coverage. Present law provides that if the insured or his legal representative does not reject or select uninsured motorist coverage, the named insured is automatically covered for uninsured motorist coverage. Present law removes uninsured motorist requirements when the named insured selects lower limits in connection with a policy previously issued to him.

Proposed law provides that if the form is not properly completed and signed to create a rebuttable presumption that the insured knowingly rejected coverage, there shall be no coverage or modified coverage, in applicable, if it is determined that the insured intended to reject or modify the uninsured coverage.

Present law provides uninsured motorist physical damage coverage.

Proposed law retains present law.

Present law provides an automobile liability policy written to provide coverage for a school bus may limit the scope of uninsured motorist coverage.

Proposed law retains present law.

Present law requires insurers to offer uninsured motorist coverage and authorizes the insurer to offer an optional arbitration provision. Present law provides the courts cannot be deprived of their jurisdiction pursuant to present law.

Proposed law retains present law but makes technical changes.

Present law provides a rental company may be exempt from the requirement that they must offer uninsured motorist coverage which is required to be offered under present law.

Proposed law retains present law.

Effective August 1, 2024.

(Amends R.S. 22:1295(intro para), 1295(1)(a) and (e), (4), and (5) and 1296(B)(intro para); adds R.S. 22:1295(7))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Make technical changes.
2. Change the uninsured motorist requirement from shall to if elected.

3. Remove uninsured motorist requirements when the named insured selects lower limits in connection with a policy previously issued to him.

Senate Floor Amendments to engrossed bill

1. Make technical changes.
2. Change proposed law uninsured motorist requirements from if elected to a rebuttable presumption of declining coverage for personal automobile insurance.
3. Excepts commercial automobile insurance policies from the uninsured motorist requirements.
4. Restores present law regarding uninsured motorist coverage.