

Regular Session, 2014

HOUSE BILL NO. 1089

BY REPRESENTATIVE BILLIOT

MTR VEHICLE/DEALERS: Provides with respect to insurance requirements for rental motor vehicle dealers

1 AN ACT

2 To amend and reenact R.S. 32:793(D), relative to rental dealers; to provide relative to
3 contingent automobile liability policies for rental dealers; to provide for legislative
4 findings and intent; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 32:793(D) is hereby amended and reenacted to read as follows:

7 §793. Rent with option-to-purchase program

8 * * *

9 D. Every rental dealer shall maintain a contingent automobile liability policy
10 of insurance with minimum limits of one hundred thousand dollars per occurrence,
11 three hundred thousand dollars aggregate, and fifty thousand dollars in property
12 damage. It shall not be sufficient for any rental dealer to share in a policy of
13 insurance, which could, under any circumstance, create a limit of less than that set
14 forth herein. Such policy shall be placed, ~~if available,~~ through an insurance company
15 licensed by and admitted in the state of Louisiana, or an approved nonadmitted
16 insurance company that is licensed by the state of Louisiana and has an A.M. Best
17 rating of B+ or better.

18 * * *

19 Section 2. The Legislature of Louisiana finds and declares that competition enhances
20 the market for virtually any product or service. Accordingly, it is appropriate for the

1 legislature to review and update the policies of this state with regard to contingent
2 automobile liability insurance and rental dealers. By passing this Act, it is the intent of the
3 legislature to increase competition in order to enhance the market from which rental dealers
4 can select providers of contingent automobile liability insurance.

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)]

Billiot

HB No. 1089

Abstract: Allows rental dealers to purchase the contingent automobile liability policy required by present law from an approved nonadmitted insurance company with an A.M. Best rating of B+ or better.

Present law requires every rental dealer to maintain a contingent automobile liability policy of insurance with minimum limits of \$100,000 per occurrence, \$300,000 aggregate, and \$50,000 in property damage.

Present law requires rental dealers to purchase their policy of contingent automobile liability insurance through an insurer that is licensed by and admitted in the state.

Proposed law extends present law to allow rental dealers to purchase the contingent automobile liability policy required by present law from approved nonadmitted insurers that are licensed by the state and have an A.M. Best rating of B+ or better.

Proposed law provides for legislative findings and intent.

(Amends R.S. 32:793(D))